103

U.S. POLICY TOWARD BURMA

Y 4. F 76/1: B 92/3/994

U.S. Policy Toward Burma, 103-2 Hea...

HEARING

AND

MARKUP

ON

H. RES. 471

BEFORE THE

SUBCOMMITTEE ON
ASIA AND THE PACIFIC

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

JUNE 29, 1994

Printed for the use of the Committee on Foreign Affairs

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U.S. POLICY TOWARD BURMA

WEDNESDAY, JUNE 29, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
Washington, DC.

The subcommittee met, pursuant to call, at 10 a.m. in room 2200, Rayburn House Office Building, Hon. Gary L. Ackerman (chairman of the subcommittee) presiding.

Mr. ACKERMAN. The Subcommittee on Asia and the Pacific meets this morning to review the situation in Burma, and to receive testimony concerning U.S. policy toward that unhappy country. I wish it could be otherwise. I fervently wish that we did not have to hold this hearing today.

Fifteen months ago, when the subcommittee last conducted a hearing on Burma, some Burma watchers thought they detected tantalizing hints of change in that country. A national convention had been called, ostensibly to draft a new constitution.

The Rangoon Government had released some of its political prisoners, and had given family members and foreign visitors access to others still in detention. American businesses were being courted by a regime hungry for outside financing.

Alas, our hopes that these developments represented something more than mere cosmetic changes seem to have been illusory. Repression remains the lot of the Burmese people. The victors in the 1990's elections are still denied the opportunity to form a government based upon the freely expressed will of the Burmese people.

Aung San Suu Kyi, the embodiment of Burma's desire for democracy, whose brave defiance of tyranny won her not only the Nobel Peace Prize, but also the admiration of literally millions of people around the world, continues to languish under house arrest, while the Rangoon regime's hold on power appears firmer than ever.

In the meantime, the American Government has undertaken a lengthy review of policy toward Burma. One of the purposes of our hearing today is to receive testimony from administration representatives concerning the conclusions of that review.

It is a sad fact that while the United States has been in the forefront of international efforts in recent years to promote democracy and human rights in Burma, we have precious little to show for our efforts. Perhaps the administration's review will set in motion policies that will prove more successful in the future than have our past endeavors. I certainly hope so.

In considering U.S. policy toward Burma, we must also keep in mind that Burma is the world's largest producer of heroin that poi-

sons our citizens and eats at the vitals of our national strength. During last year's hearing, the question was asked, but not adequately answered, whether the Burmese Government was prepared to work with us in fighting the scourge of illicit narcotics. Perhaps we will receive a more definitive answer today to that key question.

We are fortunate to have as our first witness this morning Congressman Bill Richardson from New Mexico. Bill, of course, made a historic trip to Rangoon earlier this year, where he became the first person, other than an immediate family member, to be granted access to Aung San Suu Kyi.

Bill, we are thrilled as we read reports in the press of your lengthy discussions with this courageous warrior for democracy, and we are pleased to have you with us today.

Following Congressman Richardson's testimony, we will hear from Thomas Hubbard, the Deputy Assistant Secretary of State in the Bureau of East Asia and Pacific Affairs. He will be joined at the witness table by Catharin Dalphino, Deputy Assistant Secretary in State's Bureau for Democracy, Human Rights and Labor Affairs.

Our third panel of witnesses will consist of Sein Win, Prime Minister of the National Coalition Government of the Union of Burma, the pro-democratic Burmese Government in exile. Dr. Sein Win was elected to the national assembly in the 1990 elections, but like his fellow parliamentarians, was denied the chance to take his seat in the Burmese assembly.

In the years since, he has been one of the leaders in the fight to bring democracy to Burma, and we welcome him here today as well.

Finally, we will turn to two old Burma hands to complete our morning's investigations. Miriam Marshall Segal is a New York businesswoman who has traveled extensively in Burma, and who believes that engagement offers the best chance to ease Burma along the path toward political freedom.

Mike Jendrzejczyk is the Washington Director of Human Rights Watch/Asia, formerly known as Asia Watch. Whether known as Asia Watch or by its new name, Mr. Jendrzejczyk's organization has established itself as one of the world premier human rights groups and we are pleased to have him today on our witness list.

To all our witnesses, let me say that your full written statement will be printed in the record at this hearing. Please feel free to limit your opening remarks to 5 to 7 minutes, in order to allow ample time for questions.

Let me add one final word. At the conclusion of this hearing, the subcommittee will mark up a resolution, offered by Mr. Leach and myself, on U.S. policy toward Burma. July 19 will mark the fifth anniversary of Aung San Suu Kyi's incarceration and Mr. Leach and I thought it would be appropriate for the House to consider a resolution taking note of that occasion.

It would be my intention to seek adoption by the full House prior to July 19.

[The prepared statement of Mr. Ackerman appears in the appendix.]

Mr. ACKERMAN. The ranking member, Mr. Leach, has a written statement for the record, and without objection, it will be so placed.

[The prepared statement of Mr. Leach appears in the appendix.]

Mr. ACKERMAN. Opening statements from any other member?

Mr. Martinez.

Mr. MARTINEZ. I have no statement, Mr. Chairman.

Mr. ACKERMAN. Mr. Rohrabacher.

Mr. ROHRABACHER. I will just have a very short statement.

First of all, I would like to commend you, Mr. Chairman, for holding this hearing and also for your steadfast commitment to democracy in Burma and elsewhere. Your leadership you are providing today by organizing this sends a message, and what we are talking about today is supposed to send a message. We are supposed to send a message that says the United States believes in freedom.

That is what we are telling people today. And we are telling the people of Burma, we believe in freedom and you are not forgotten. Unfortunately, Burma has not had a major place in the news in the United States of America. It has been somewhat forgotten by the American people. But it is a struggle for freedom that is inspiring and there are heroes who are out in the jungles, there are heroes who are under house arrest in Rangoon, there are heroes who are struggling against great odds, risking their lives, resisting tyranny, and these are the type of people who the United States of America should be identifying with and should be sending the message to that they are our friends.

We should be on the side of the opposed and not the oppressor. And in the case of Burma, that is especially true. Because the regime in Burma is not only involved with horrible crimes against their own people, but they are in league with narcotics traffickers which spread their, you know, their death and their misery to all parts of the world, especially here in the United States.

There are some people in our Government that are pushing for better relations with Rangoon for a number of reasons. Some of them honestly believe, as we will hear from the testimony, that having more relations with the likes of Adolf Hitler and Joe Stalin is going to make Adolf Hitler and Joe Stalin more——

Mr. ACKERMAN. Mainstream.

Mr. ROHRABACHER. Mainstream; thank you, Mr. Chairman; more inclined to love democracy and be a good guy, or that if we have more to do with the regime in Rangoon, that they will have less to do with their narcotics traffickers who provide them with vast profits that they put into their pockets.

I don't agree with that assessment. We have a situation now where the United States should be seeking to isolate, as far as I am concerned, isolate this oppressive regime, rather than trying to give it some kind of credence because any type of association we have officially with Rangoon basically bolsters the dictatorship, and I will be asking that of our witnesses as they appear.

Some of our own American companies now, because this struggle for freedom has gone on for so long—and let me note this, that when the struggle is elongated like this, you can't expect the people of the world simply who are trying to make profit not to see the profit. We are trying to discourage people from coming in and having profit-making relationships with this dictatorship, but some of

our own corporations are now considering going in, oil companies, for example.

I think that it is reprehensible that when a company will make a deal with such a monstrously corrupt and dictatorial regime as we have in Rangoon, for the so-called—for an economic tie, when in reality what we are talking about is robbing the treasure that should be stored up for the Burmese people themselves.

When you are talking about natural resources and selling them to a corporation, if that money is not going into education, going into infrastructure, going into the benefit of the people themselves, what you have is a theft of the natural resources of a country by a small cliche of people who are then spending that money for their own benefit.

In the case of Rangoon, the regime is spending it on themselves and on military equipment in order to repress their own people. So I would discourage corporations from going in and doing business with this particular dictatorship, and I want to close my opening statement by just recommending and applauding my good friend Bill Richardson, who spent his—you know, we have very limited time as Members of Congress, and I have been in that area, several times, of the world, but Bill took it upon himself to spend his very, very few moments of spare time to go to Rangoon and to insist on seeing Aung San Suu Kyi, and to highlight the fact that she is still incarcerated.

So I applaud you, Bill, for your commitment to liberty and the ideals that our country is all about. Thank you for taking this time to send your personal message to the people of Burma that we care about them.

Thank you very much, Mr. Chairman.

Mr. ACKERMAN. Thanks very much.

Our first witness is Congressman Bill Richardson from New Mexico, a champion of human rights causes all over the world, and who indeed gives much of his personal time and energy to such causes. We are real proud of you, Bill, and happy to have you with us this morning.

STATEMENT OF HON. BILL RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. RICHARDSON. Thank you, Mr. Chairman.

To all members of the subcommittee, thank you for the generous, overly generous words. I am just going to focus my remarks on U.S. policy, since I think it is most useful for you to hear from the administration and private witnesses and experts on what we might direct U.S. policy to be.

First, Mr. Chairman, on your resolution, an excellent idea. I would urge you to move it rapidly. Perhaps we can help on the leadership side to bring it up on July 19. I think it would be an important, symbolic step to send.

I commend you for the resolution. It shows leadership on the part of the Congress. The Burmese people need to hear that, we need to send a message to the SLORC.

Secondly, Mr. Chairman, I think we should look at July as probably the critical month on SLORC policy, not just because what we are doing is observing the birthday of Aung San Suu Kyi, rather

not just the birthday, but also the—which took place—which is taking place in July, but also the sixth year of her incarceration.

In July, there is also a very important meeting of the ASEAN countries. Regrettably, the SLORC was invited. And they are participating. But I think that meeting can be used by the nations of ASEAN to press strongly for democratic reforms in Burma for the release of political prisoners, for the political release of Aung San Suu Kyi, and I would hope U.S. diplomacy works in that direction to generate ASEAN, I won't call it pressure, but strong representations to the SLORC that democratization is in their best interests and in the region's best interests.

Third, Mr. Chairman, I met last week with the Secretary General, Boutros-Ghali, with Ambassador Albright. My objective there is to get the United Nations to name a special envoy on Burma, to focus attention on it, to try to bring some constructive change, but also to highlight the fact that the concern about Burma is multilateral, multinational; that it is not just a few countries.

The Secretary General announced that he would send the Special Envoy Ahmed, who is the Executive Director of the Economic and Social Council based in Bangkok, to the ASEAN meeting, and that Ahmed will be the Secretary General's personal representative to deal in a quiet, diplomatic fashion with the SLORC at this meeting, and following this meeting in July, the Secretary General promised that he would consider, make a final decision, on whether to proceed with an U.N. special envoy in a more formal fashion.

Mr. Chairman, I plan to return to Burma in August. My hope will be once again to meet with Aung San Suu Kyi, to meet with the SLORC. My objectives will be the same as it was in my initial trip.

One, to get Aung San Suu Kyi and the leader of the SLORC, who appears to be General Khin Nyunt, together to start a dialogue on democratization and reconciliation.

Mr. Chairman, I think through this committee and your good offices, you should also try to get the National Endowment for Democracy to do more on Burma. We just passed their appropriation a couple days ago, or rather the effort was made to kill their appropriation. I think they have done a good job. They need to do more on Burma.

So far their efforts have been, in my judgment, meager, but they need to do considerably more. I think, too, Mr. Chairman, the international community, the national human rights communities, should set up a foundation for Aung San Suu Kyi to talk about her writings, to promote her cause.

One of the biggest enemies that Burma has is that it is forgotten. We forget about Burma because we have crises in North Korea, in China, because there are other human rights concerns that get more visibility. And somehow, Burma policy falls through the cracks.

I think, too, through your good offices, you should get U.S. businesses here and tell them that unless they assist us in pressing ahead with democratization in Burma by raising the human rights issue and the democracy issues with the SLORC leadership, that they are going to be faced with a trade embargo that either the administration or the Congress is going to impose.

I think that is another concrete step.

Mr. Chairman, one of the positive results of my visits was that the ICRC, the Red Cross, has had some meetings with the SLORC about prison conditions, about inspecting the prisons, making them more livable. These prisons are a very sad case, and there are others besides Aung San Suu Kyi that are suffering. Our focus should be for them, too.

Mr. Chairman, my hope is that the administration, which so far I think has had a good constructive policy, can clearly state what it is. Maybe on this occasion, maybe on July 19, that would be an appropriate forum perhaps for the Secretary of State to announce Burma policy, if it isn't done today.

I think the administration is heading in the right direction, but usually, as is the case with many other pressing issues, perhaps other issues have taken over the headlines and the time of our policymaking officials. We need to stand very strongly behind Aung San Suu Kyi and the democracy movement.

Let me close, Mr. Chairman, by simply stating that I still think there is a ray of hope within the SLORC, and that ray of hope is General Khin Nyunt. This is not agreed to by many people, but I think he wants to enact constructive change in Burma. I think that as a result of my visit, he has been weakened.

Some of the more conservative, traditional SLORC members, I believe, have basically smothered his reconciliation efforts, his democratization efforts, however meager they may be. Again, my hope is that he remain open to the idea of meeting with Aung San Suu Kyi. That meeting has not been rejected. It is just no decision has been made.

I am not encouraged. But again, Mr. Chairman, I think efforts like yours, international visibility and pressure, are important. But by your leadership with this resolution, hopefully it will bring leadership to the international community and U.S. foreign policy on this critically important issue.

Mr. ACKERMAN. Thank you very much.

Just a couple of brief questions. Was your historic visit with Aung San Suu Kyi, an attempt by the government to signal a willingness to allow an opportunity for openness?

Mr. RICHARDSON. Mr. Chairman, I do think that at the time General Khin Nyunt felt that an opening, better ties with the United States, democratization, should be Burma policy. I think he felt that my coming to Burma, my seeing Aung San Suu Kyi, would be a vehicle for that.

As you know, I engaged in some bilateral negotiations to try to get the two together. However, what I think has happened as a result of the visit, which got a lot of visibility for Aung San Suu Kyi and her cause, I think that other elements in the SLORC have basically contained General Khin Nyunt, and have smothered a bit these pro-democracy movements and efforts.

So while I can say that the visit had a short-term, positive, international visibility effect, I am concerned that that progress since the visit has not happened.

Mr. ACKERMAN. Do you think at this time it would be helpful to raise the specter of a trade embargo?

Mr. RICHARDSON. Yes, Mr. Chairman, I think if it is raised in a multilateral fashion.

As you know, Mr. Chairman, you have done a lot of successful trade embargoes, but if they are to be successful, they have to be multilateral. And I am concerned that other ASEAN countries will not participate, will not cooperate, particularly Thailand, whose policy on Burma I think has been a little bit disappointing.

I hope that they are more positive in terms of the human rights issue. But if we don't get ASEAN and international support, and if there is no further progress, I think, Mr. Chairman, we might consider a bilateral trade embargo and do the best we can.

Mr. ACKERMAN. Thank you. Any other questions?

Mr. ROHRABACHER. Bill, you were talking about a trade embargo. First of all, you seem to be fairly optimistic that we can try to evolve this regime into perhaps accepting more human rights, et cetera. Why would they do that?

I mean these people—if the people are freer underneath them, isn't the very existence of this clique that runs Burma in jeopardy, the more freedom they offer?

Mr. RICHARDSON. I believe that Burma, the Government of Myanmar, wants international respectability. They want an American Ambassador there. They want private investment there. They are concerned about getting beaten up in every international fora, particularly the U.N. Human Rights Commission when it meets in Geneva.

The Myanmar Government, I believe, wants narcotics assistance from the United States. They want DEA assistance. They want a signal from the United States that their effort at trying to stem the flow of narcotics is a respectable one.

I would not consider at this time appropriate to give them that assistance, but all of these elements require them to stop being a repressive regime. I believe that there is some concerted efforts in the SLORC to recognize—that recognizes the fact that the key to their problems is the detainment of Aung San Suu Kyi and the continuing human rights violations.

So if I were sitting in the SLORC Council and they want all of those initiatives, including more investment, ASEAN investment, then I would want to make some changes.

Now, clearly the international movement has been heading in their direction. ASEAN countries have been practicing the policy of constructive engagement, which regrettably by some countries means do nothing, and I don't think that is appropriate.

We have tried quiet diplomacy. I think the time has come to consider stronger levers.

Mr. ROHRABACHER. When you are dealing with Al Capone and a group of gangsters, I just don't think the evolutionary approach works. And I think that instead of trying to mold these people into being good citizens, perhaps a better thought would be to rely on the junior officers of the military to overthrow the regime and cut a deal with Aung San Suu Kyi, which is something I hope would happen.

If there is any message here that I would impart to the people of Burma and to the regime in Burma, it is that the people who hold power in Burma today are illegitimately holding power. There

are other people within the military, perhaps the junior officers, who have it within their power right now to change the situation.

I would hope that the people of Burma do not wait for the outside world to make their own country free and to correct a horrible situation. The good people of that country should get together, the junior officers in the military, with the democratic movement, and create—and to create the situation that will give their people some hope and provide some progress.

I don't believe progress is going to come simply by appealing to the better instincts of people who already proved themselves Monday sisters.

Mr. ACKERMAN. Any questions?

Mr. MARTINEZ. I just have one question.

Mr. ACKERMAN. Mr. Martinez.

Mr. MARTINEZ. Since your visit, called unprecedented as it was, you were still able to see key people there and meet and talk to these people.

Mr. RICHARDSON. Yes, I was.

Mr. MARTINEZ. We have not had an ambassador there since 1990. There is a question whether we should name another Ambassador there.

Wouldn't you think that in your experience that some dialogue is better than no dialogue at all, and an ambassador's presence there might get that dialogue going again or see it continue to go, and continue to talk to try to?

As you just stated, they are tired of getting beat up on, they would like to have a better international image. Couldn't the right person in that Ambassador spot help to make that come to pass much earlier than if we just ignore them all together?

Mr. RICHARDSON. Well, my colleague raises a very good point. It is my view, it has always been my view that, we should have strong representation in any country, regardless of how bad our relations are.

So my answer is I had in the past urged the State Department to name an ambassador, somebody that was perceived to be close to the President, with expertise on Burma, that could raise at the highest levels of the SLORC U.S. concern, U.S. policy toward Burma.

There has been a chill between the embassy, which doesn't have an ambassador, and the SLORC government. So there has been an absence of communication between the U.S. Government and the SLORC, at least in Burma. And I don't think that is necessarily healthy.

So the problem, though—what has happened is the SLORC wants an ambassador and there is now concern at policy levels that if we send an ambassador, that is a signal of us conveying to them international respectability. My view, though, is if you balance all of these issues, I always think that having a strong American representative, constantly raising the human rights issue, constantly pushing the SLORC, hopefully in a positive way, to see that the key to international and better relations are improved human rights performance and democratization.

In the absence of that right now, I would say the call is that we should have an ambassador there.

Mr. MARTINEZ. Thank you, Bill.

Thank you, Mr. Chairman.

Mr. ACKERMAN. Congressman, thank you very much for both your leadership in the House and your leadership in the international community.

Mr. FALEOMAVAEGA. Would the chairman yield?

Mr. ACKERMAN. Yes, Mr. Faleomavaega.

Mr. FALEOMAVAEGA. I hope I am not being repetitious of the questions raised, but I certainly want to offer my commendation to the gentleman from New Mexico for the initiatives that he has taken in recent times, especially for his ability to collaborate with Ms. Aung San Suu Kyi, the Nobel Peace Prize winner of 1991 for her nonviolent struggle for democracy.

I am sorry that I was not here to listen to the substance of your remarks this morning, Mr. Chairman, my good friend from New Mexico. I do have one question I wanted to raise, and this is the fact that because the current regime is a military dictatorship, if you will, and I was wondering if, by way of our applying human rights standards throughout the world, should we be doing the same thing as we are currently?

That is, some members are very critical of our status on human rights with China. Should we be pushing the same kind of pressure toward this country that happens to be in fact a military dictatorship?

I recall the problems that we had with the Philippines, that we had a dictator there, and we seemed to have overlooked the fact that human rights violations were quite apparent during his dictatorship period, and I was just wondering to ask for the gentleman's response to my concern and questions.

Are we doing the same as we are attempting to do with China as far as human rights are concerned?

Mr. RICHARDSON. Well, I will suggest the gentleman—I think the administration will be up shortly. My view is that we should press with human rights everywhere, right or left, through international fora, bilaterally, that we should use every possible intermediary to advance the cause of human rights.

I must say that on the China issue, I am still trying to make a decision on what—how I am going to vote on the Pelosi resolution. I am concerned that we need to send a strong signal that while China has strategic importance, that we at the same time recognize, as you mentioned, the human rights importance.

I think a lot of members are grappling with how they are going to vote on that. As far as Burma is concerned, I think that here is a case where we do have a regime that came into power illegally. Eighty percent of the vote went to Aung San Suu Kyi and her party. That election was disallowed.

Thousands of dissidents were killed and detained. They are still languishing in prisons. I think it is our responsibility to try to stand fast on behalf of human rights and democracy.

Now, as we pursue that, I have always maintained we should use a carrot and stick policy. But so far, I think that carrot-and-stick policy has mainly been carrots by the international community, without, as Mr. Rohrabacher said, some sticks.

Now I don't think we should use a blunderbuss without any positive linkage to improvements in human rights or democracy. I favor that. But so far we have had little response from the SLORC, although there has been some limited progress, and we are now facing a situation where we are all forgetting about Burma follow.

This hearing hopefully will make a major point in curing that, but we are faced now with an ASEAN meeting in July in Bangkok. This is an issue that needs to be raised there.

We have the United Nations, a decision pending on whether we should have a special envoy. That has to happen.

I think the administration clearly has to publicly state their policy toward Burma, what it is, perhaps on the anniversary of July 19. And then I think Mr. Ackerman's resolution and the bipartisan resolution here needs to pass to signal the congressional view on Burma.

Human rights resolutions make a big difference around the world. We take them seriously—not that seriously here. We pass them by voice vote and suspension calendar. They have enormous impact around the world.

I would hope we all collaborate toward clearly stating what our Burma policy is. I don't think we have done that yet.

Mr. FALEOMAVAEGA. Out of respect for the fact that I think the administration would like to respond to this, but you couldn't have said it better, the fact that I seem to view Haiti quite similar to the Burma situation, and yet is it because of geography that we are not pressing for sanctions and real serious democratic reforms, or is it because Burma is a little further away than is Haiti?

Mr. RICHARDSON. Well, Mr. Chairman, it is because Burma in the geo-strategic, geo-industrial scheme of things, is not as important as other countries. So we don't pay as much attention to it as we do other trouble spots.

It is not because we don't care, period. It is because other areas occupy more time of our policymakers and our Congress. And we shouldn't be derelict in this. We should stand behind Aung San Suu Kyi and the democracy movement as much as we can. But we all tend to de-emphasize her plight and Burma's plight because Burma doesn't come up on the radar screen as much as other areas do.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you very much.

Bill, thank you very much for spending so much time with us this morning.

Our second panel includes the distinguished Deputy Assistant Secretary of State, Tom Hubbard, Bureau of East Asia and Pacific Affairs, who is accompanied by Catharin Dalphino, Deputy Assistant Secretary of the State Department's Bureau of Democracy, Human Rights and Labor Affairs.

So good to have you back with us before our subcommittee. We welcome receiving your testimony. Your entire testimony will be placed in the record and you may proceed in any fashion that you feel comfortable with.

STATEMENT OF THOMAS HUBBARD, DEPUTY ASSISTANT SECRETARY OF STATE, BUREAU OF EAST ASIA AND PACIFIC AFFAIRS; ACCOMPANIED BY CATHARIN DALPHINO, DEPUTY ASSISTANT SECRETARY OF STATE, BUREAU FOR DEMOCRACY, HUMAN RIGHTS AND LABOR AFFAIRS

Mr. HUBBARD. Thank you very much, Mr. Chairman.

It is indeed good to be back with you and other members of the subcommittee, as well as your staffs today, to talk about the situation in Burma and our policy response to that situation.

I am pleased to have next to me Mrs. Catharin Dalphino, who is the Deputy Assistant Secretary of what we now call, I think, the Bureau of Democracy, Human Rights and Labor Affairs. HA has become DRL, I think, in the argot.

Mr. ACKERMAN. Thank you very much for that update. Stand by for future bulletins.

Mr. HUBBARD. That is right.

Mr. Chairman, the primary goal of the United States in Burma is to see an end to human rights abuses by the ruling military authorities, and the establishment of a democratic representative government which truly expresses the will of all of the Burmese people.

Our second important objective is to bring an end to the production of opium and heroin, which has caused social devastation throughout the world.

These two objectives, we believe, are mutually reinforcing. However, we believe that restoring democracy and respect for human rights are in faculty essential preconditions for progress in counternarcotics.

Three key events in recent Burmese political history influence U.S. policy toward Burma. The violent suppression of the Burmese democracy movement in 1988 by the State Law and Record Restoration Council, commonly referred to as the SLORC, the house arrest of Burmese democratic activist Aung San Suu Kyi, and the subsequent refusal of the SLORC to recognize the results of the 1990 parliamentary elections in which Aung San Suu Kyi's party, the National League for Democracy, won an overwhelming majority.

In the years since the SLORC seized power, it has consolidated its control over the country. The SLORC has silenced the democratic opposition and is successfully negotiating separate cease-fire accords with the major ethnic groups.

It has no intention of implementing the results of the 1990 elections. The economy, although troubled by persistent inflation, is growing and attracting new foreign investment and increased numbers of tourists.

At the same time, the SLORC has taken some steps in the past 2 years to ease the harshness of marshal law, and it has sought to improve its international image.

The SLORC has permitted Aung San Suu Kyi family visits, and has allowed Congressman Bill Richardson to meet with her in February. However, there has been no fundamental change in the government's repressive rule, and there has been no movement toward a dialogue between the SLORC and Aung San Suu Kyi since her February meeting with Congressman Richardson.

The democratic opposition with Burma, within Burma, is increasingly dispirited and disorganized, with its leadership in detention or exile. The Burmese population as a whole remains intimidated by the regime and focused on the routines of daily life.

The SLORC's attempts to reach cease-fires with the ethnic insurgents have exacerbated strains between the democratic opposition and their ethnic allies.

In January 1993, the SLORC convened a handpicked national convention to draft guidelines for a new constitution. The national convention has, as its principal objective, the consolidation and the legitimization of the military's role in Burma's future political arrangements.

Several chapters of the Constitution have reportedly been completed, but it could be months or even years before the Constitution itself is finished.

At the same time, while the SLORC is in its strongest position ever, the military leadership apparently remains wary of Aung San Suu Kyi and the potential threat she represents to their continued rule.

In spite of nearly 5 years of detention and isolation, Aung San Suu Kyi remains as determined as ever to pursue the struggle for democracy in Burma. She has categorically rejected the regime's offer for her to leave the country, and maintains that a genuine dialogue with the regime is the only way to end the political impasse in the country.

In addition to the human rights problems within the country, Burma, as the world's largest producer of opium and heroin has contributed to addiction and the spread of drug-related crime everywhere.

Since 1988, the military regime has focused on its domestic political problems and sharply reduced its already limited counternarcotics program, with a result that opium products reached an estimated level of 2,575 tons in 1993.

The SLORC undertakes few narcotics law enforcement measures, and has reached political accommodations with a number of ethnic insurgent groups which permit them to continue opium production and trafficking in return for ceasing hostilities against the central government.

We maintain the possibility of closer narcotics cooperation with Burma under constant review as one option to ameliorate the narcotic scourge in the United States.

The United States has a significant interest in ending the flow of heroin from Burma, but it is unlikely that the heroin trade can be curtailed without fundamental political change in Burma.

That is why the March policy review meeting concluded that a higher level of cooperation is not now a reasonable prospect, and that promoting democracy in Burma is ultimately the best way to achieve our counternarcotics objectives as well.

The United States has played a leading role in marshalling international political pressure on the SLORC to carry out democratic reform. Following the brutal suppression of the 1988 democracy movement, the United States suspended all bilateral assistance programs.

We also revoked the GSP privileges, suspended eligibility for Overseas Private Insurance Corporation programs, and did not renew our textile agreement.

In 1989, the United States ceased to certify Burma as a cooperating country on counternarcotics. As a result, the United States is required by law to vote against development bank lending and other IFI loans to Burma, except for projects which meet basic human needs.

For the past 5 years, the United States, the European union, Japan and Australia, have maintained a voluntary arms embargo against Burma, and the United States will not issue licenses for sales of military equipment or dual-use items such as crime control and detection equipment to the Burmese military or police.

The United States has attempted to build broader international support for a more effective arms embargo. However, this is difficult to achieve and arms shipments to Burma continue.

In the wake of Congressman Richardson's unprecedented February meetings with Aung San Suu Kyi and SLORC strongman Khin Nyunt, we have urged the international community to encourage the SLORC to begin a dialog with her, with Aung San Suu Kyi, as the best means to end the political impasse in the country.

Some encouraging signs have resulted. Despite this, the situation in Burma remains grim in many ways, and we along with the international community continue to explore ways to promote positive change.

As has been noted, the administration has not had an ambassador in Burma for the last 4 years. Given the length of time since we have had an ambassador, we now believe that such an appointment must be evaluated with great caution, lest it be taken by the SLORC as a sign of U.S. approval.

We have no current plans to appoint an ambassador to Burma. One question which is under continuous debate is whether the United States should seek to limit trade and investment with Burma. Broad trade and investment sanctions, if supported by the international community, would hurt the Burmese economy and would make life more difficult for the military regime.

The problem is that the international community is not prepared to support sanctions. The prevailing view among most governments in the region favors more rather than less trade.

Given that multilateral sanction does not appear feasible, would U.S. bilateral sanctions work? The answer is also no, since many of our allies would be willing to replace us in trading with their investing in Burma.

Under these circumstances, we do not currently favor unilateral sanctions, and as noted, we do not believe that global sanctions are presently a realistic option.

Although the United States, Japan and ASEAN share the same general goal of a more open, progressive and stable Burma, with an end to human rights abuses, our respective tactical approaches differ.

China, undeterred by human rights considerations, pursues an extensive cross-border trade with Rangoon. This is buttressed by a growing number of Chinese-financed infrastructure projects that

underscore China's role as the dominant economic influence in Burma.

Given the other issues we are pursuing with Beijing, it is unlikely that we could effectively press China to alter its Burma policy.

In conclusion, Burma continues to present one of the most frustrating, yet compelling problems in our international relations. Political freedom remains nonexistent, and the regime has yet to show a real commitment to grappling with narcotics issues.

There have been small improvements in the economy and in human rights, but the junta, intent on retaining its power and privilege, is satisfied with its current management of domestic and foreign policy.

No government which does not express the political will of the people can endure indefinitely. The voice of Burma's democratic forces will be heard again. We will support those voices in any way we can.

Our efforts to promote true democracy and human rights will continue, as will our unflagging support for Aung San Suu Kyi and other political prisoners.

In conclusion, Mr. Chairman, let me say that we support the resolution that you will be marking up later today. We think it is important that Congress speak out on Burma, and we wish other parliaments in Asia and elsewhere would join you in doing that.

Thank you very much.

Mr. ACKERMAN. Thank you very much, Mr. Secretary.

Let me first congratulate you and the administration for consistently pressing the issue of human rights in Burma and keeping it, although in perspective with our other large problems, certainly one of those items much in view.

That having been said and recognizing the long list of things that the administration has done and refused to do in order to get the Government of Burma along the right path, would you consider our policy toward Burma to have been successful thus far?

Mr. HUBBARD. No, Mr. Chairman.

I appreciate your words, and we do believe that our policy has been consistent, and I do believe we have been consistently supportive of the forces favoring democracy and respect for human rights in Burma.

I would not say our policy has been successful in part because, as has been noted, we have not had the full support of the international community for the efforts that we have made.

Clearly, the international community, by and large, shares our objectives. The countries, many of the countries of Europe, have joined us in many of the—in many of our tactics, in many of the specific approaches that we have chosen.

However, the countries of Asia, the countries of the region immediately surrounding Burma, have differed with us on tactics. They have tended to favor a policy of constructive engagement. Perhaps partly because they think that is the best way to reach out and influence their neighbors, partly because they have other interests, including the sanctity of borders, a desire to eliminate refugees in their own countries, and perhaps for their commercial interests.

But we have not had the full support of the international community, despite our efforts, and partly for that reason, we do not believe we have been successful.

We will not be successful so long as this regime remains in power and democratic leaders like Aung San Suu Kyi remain in detention.

Mr. ACKERMAN. You have answered in part my next question. Based on your statement that there seems to be almost unanimity among Burma's neighbors not to participate in any sanctions or restrictions upon trade. What do you think is the prime motivation of those neighbors who have trade with Burma?

Is it that they believe that the constructive engagement is the best path toward affecting behavior? Is this behavior modification policy? Or is this indeed strengthening the local economy policy?

Maybe I can get you to sharpen the answer and pick and choose a little bit among the menu that you have presented to us thus far.

Mr. HUBBARD. Mr. Chairman, I wouldn't want to speak for other countries, and in particular as a very varied group of countries. Within those countries obviously there are different motives on the part of different people.

Thailand, for example, I think there are those in Thailand that have economic motives, but Thailand has been a country that has been plagued throughout recent decades by refugees from a variety of quarters, including from Burma. They would like to put an end to that.

Thailand sees a number of conflicts on its borders and would like to put an end to that and apparently believes that the current regime in Rangoon is on the right track in terms of reaching arrangements with the ethnic minorities.

So it varies from country to country.

Mr. ACKERMAN. Let me ask this.

If most nations in the world thought that sanctions eventually was going to work in such places as South Africa, and indeed participated in the embargo that we placed upon that nation and if most nations think that at least it is worth a try to impose sanctions as we had been attempting to do with respect to North Korea, why can we not get the kind of cooperation from the international community—or perhaps just the Asian community—on a country as small and presumably much more susceptible to pressure such as Burma?

Mr. HUBBARD. Many of the Asians seem sincerely to believe that the best way to influence their neighbors is to do so quietly. I am not saying that we share that belief.

I am simply relating that many of them themselves believe that. I think also they perhaps put more emphasis on secure borders, the absence of refugees, the absence of open conflict in the region, than they do on promoting human rights.

Mr. ACKERMAN. If indeed we have abandoned a strategy of convincing Burma's neighbors and others to place restrictions upon trade with Burma, and if indeed, as you testified, the SLORC is stronger now than it has ever been, despite the fact that we have had some kind of lessening of trade relations with them despite individual corporate investments, what will it take for one policy to be effective?

Mr. HUBBARD. Well, Mr. Chairman, first let me say that we have not abandoned a policy, an approach of trying to persuade Burma's Asian neighbors to join with us in more forceful action, more direct action within Burma.

Mr. ACKERMAN. But not on trade?

Mr. HUBBARD. Not specifically on trade, we are not——

Mr. ACKERMAN. So we have written off a strategy of trying to convince Burma's Asian neighbors of placing trade restrictions on Burma because you say that not one of them wants to participate for a litany of reasons.

Mr. HUBBARD. We haven't, Mr. Chairman, written off such a policy. We are not currently pursuing that.

As has been noted, our policy is still under review. Trade sanctions is something that we are considering in that context.

Mr. ACKERMAN. We are considering bilateral trade sanctions? I understood you to say that you thought that that has not been effective.

Are you saying that if we had total trade restrictions on a unilateral basis, that that is a possibility and that that might be effective?

Mr. HUBBARD. Mr. Chairman, what I am saying is that a total trade embargo might well have an impact on Burma.

Mr. ACKERMAN. Unilaterally.

Mr. HUBBARD. A multilateral trade embargo on Burma might have an impact. It would cause humanitarian disruption, as well as put pressure on the regime.

We have not written off the possible option of trying to get the international community to join us in trade action against Burma. That is one of the possibilities that we are considering.

We don't, frankly, think it has much prospects for being supported by the countries of the region.

Mr. ACKERMAN. You say that trade restrictions would be economically disruptive on those within Burmese society. It would seem to me that if SLORC is as strong as it has ever been, and then some, and the Burmese people are as poor as they apparently are, that the trade restrictions would have a greater effect on those who have, rather than those who have not.

The poor people of South Africa said we want the trade restrictions, and the people of Bosnia said bomb us. When you are down and desperate, you look for anything.

Are we presently considering unilateral trade restrictions, or are we looking to do this with some partners, and which nations indeed have expressed a willingness to participate in such an embargo?

Mr. HUBBARD. We haven't written off any of those options, Mr. Chairman, whether a multilateral trade embargo or a bilateral trade embargo. We are not actively seeking such an embargo at this point. Partly because it would be very hard to identify a single nation that has extensive trade with Burma that would be willing to join in such an embargo. But it remains a possibility, remains an option that we have to take into account.

We do not believe that unilateral restrictions would have an important impact and therefore wouldn't favor that.

Mr. ACKERMAN. So we are not discouraging American companies from participating in the Burmese economy?

Mr. HUBBARD. No, we are not. We are alerting them to the situation there, alerting them to our deep concerns about the direction, about the way in which Burma is being led.

We are urging them to behave responsibly, but we are not urging them not to invest in Burma.

Mr. ACKERMAN. Mr. Martinez.

Mr. MARTINEZ. Yes, sir.

You know, in almost all this information that I have in front of me here, it seems to indicate that sanctions alone by the United States are not going to have any impact, because none of the countries surrounding Burma are going to join in those, for obvious reasons.

There is going to be someone here that is going to testify a little bit later to a completely different realm of thing, and since I am an antisanction man, because I don't believe they have really done that much good around the world other than cause the very poorest people of those countries to suffer.

It is much like our sanctions of Cuba. You know, we have people in this Congress and people in the United States who have relatives there, who would rather see the relatives starve to death and suffer tremendously, just because of their great hate for Castro, and eventually Castro will be gone and that whole regime will be gone.

You know we saw the fall of communism in Russia. People would like to take credit for it, that it was things that the last administration did or that sanctions did. Baloney. It was simple, pure economics that did it. The people got tired of suffering that way. And that government was failing because it didn't work and oppressive governments like that don't work.

But I would say that there is something that is in this testimony that we are going to hear that because it is a long testimony and I imagine that person will condense that, I would like to read this one part of it.

Once again, these countries will make money while we preach, while we preach. Their Ambassadors will speak publicly about human rights and privately go about the business of helping negotiate contracts. Nevertheless, these countries will by their economic activities do more to spread democracy than our preaching will ever accomplish, and we will be the losers in terms of influence, exports and jobs. And that is the bottom line.

Somehow or another, the narrow mind that envisions that somehow we alone can impose sanctions to the point that will cause these people to bend and buckle, is ridiculous. And more than that, the government itself has done a lot to reconcile its differences with a lot of those people that won that election.

There are two views about that election, and we don't hear the other view. One is that that was actually an election to set in place a parliamentary body, not to govern, but to establish a constitution for that country. And there are various number of people that won elections in there that are now actually in dialogue with the present government.

There seem to be the time that there would be utter chaos as there had been in the past. And you know these evolving democracies all over the world are no different than our own democracy.

We weren't the perfect democracy that we like to pretend that we are, and we are not even yet that perfect democracy. But we have evolved from the beginning. And I want to go on the history of the beginning, there were no free elections in the first 13 years and there was then only property owners could vote. And yet the Constitution was always inherent that everyone could vote, and not until recently was the last State in the Union ratified in our modern times the right of the most indigenous people in this country to vote.

It wasn't until modern history, 1921, that women were given the right to vote. So we have evolved and we have to understand that democracies all over the world will evolve.

We are going to do more to encourage that evolvement by dialogue and by actually conducting business with them. And those influences, I think, that are constantly there and expressions of freedom in another country and the latitudes they have, I remember a young man coming from Beijing, China, to be in my office for a summer internship. And the amazement that he had at what was available to him and access to those things that were banned in China, and when he went back, he was one of those leaders in Tiananmen Square, all right.

Their ability to come here and learn from us, our ability to take our message there, is one of the most important things we can do to advance democracy even though the Monroe Doctrine was completely misinterpreted by Polk, President Polk, so that he could move on a country to gain territory for ourselves.

The author of that, the primary author of that, died on the House floor protesting the interpretation of it. Those are little known facts, because people have not been educated to that.

I think we ought to change our tact and start getting a little bit smarter.

Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you very much. Mr. Rohrabacher.

Mr. ROHRABACHER. I am absolutely floored, and I will try to maintain my rage at this moment, to hear the most vicious dictatorship on this planet compared to the United States of America.

It is—that is an absolute travesty, an absolute travesty.

Mr. MARTINEZ. Your anger does not impress me.

Mr. ROHRABACHER. Well, I am sure that your words don't impress people who love the cause of freedom.

Mr. ACKERMAN. If the Chair can exercise the prerogative of calling everybody's attention to the fact that we have two distinguished members of the State Department here——

Mr. ROHRABACHER. Yes.

Mr. ACKERMAN [continuing]. And that we would like to elicit factual information as well as opinions at this hearing, thus clearly understanding everybody's emotions.

Mr. ROHRABACHER. Thank you, Mr. Chairman.

Let us just note, let us just note that we can have all the people coming here from Burma and learning about democracy and freedom, just like the people came from China and their friend who came here from China and went back as you said, who if he does love freedom and decided that democracy was better, is probably in jail now if they didn't execute him.

We don't have to convince the people of Burma that democracy is OK. We have to kick out a gang of thugs who are oppressing the people of Burma and preventing them from achieving the democracy that they want.

When the United States compromises with thugs and gangsters—and I think the chairman was—the chairman was absolutely being generous when he says to strengthen the local economy. Let's face it, when people want to do business with these regimes, they are doing so to fatten their pockets with no regard whatsoever about the consequences that it has on the people who are being repressed in those societies.

In fact, in those societies, the birthright of the people are being stolen, whether it is in China or whether it is in Burma, where they are cutting down every piece of teak wood that they can possibly cut down, destroying the birthright of those people and shipping it over to China.

Yes, we have to decide whether or not we are going to have Most-Favored-Nation status with China, while the Chinese turn the dictatorship in Burma into a satellite and rape that country.

There are consequences even beyond the repression of local people when you make deals with thugs. We made our compromises with the Chinese, and now they are participating in the repression in southeast Asia of the people of Burma.

I will ask the question, or questions. Let me, number one, say that I applaud this administration, which I rarely do, and the fact it has not joined in the stampede to strengthen the local economies of our own profiteers, and that they are giving serious consideration to the policy, and I understand that there is serious consideration being given to what policy we can have toward Burma that will further the cause of freedom in that country.

I want to commend you as well for stating over and over again that the problem of our narcotics trafficking and these other problems will be solved by strengthening and bringing more democracy to that country. I wonder, perhaps you could elaborate a little bit on that.

Mr. HUBBARD. I think we do not believe that the current regime has given us anything that can be taken as clear assurances that if we chose to put an emphasis on combating narcotics, that they would provide effective cooperation.

We believe that effective cooperation will have to await more representative government, the kind of government that will more clearly share the goals that we have in this area.

As you say, we have chosen to put our emphasis first and foremost on democracy and human rights.

Mr. ROHRABACHER. Are there a lot of people, do you believe there are a lot of individuals who are now holding power, in the power clique in Burma, who are profiting from the drug traffic?

Mr. HUBBARD. Well, I wouldn't want to try to cite any clear evidence about any particular individuals, but indeed we do believe that the regime has a stake in that trade.

Mr. ROHRABACHER. Let me put it this way: In a country that is producing more narcotics, more heroin, than any other country in the world, is there some reason to believe that just out of the good-

ness of their heart and the morality of their soul that the regime is refraining from participating in the drug traffic?

Mr. HUBBARD. The regime tells us that they wish to take forceful action against the drug traffic. They have indicated that they would like our cooperation in that.

We don't have reason to believe that that cooperation would be complete, and it is hard to imagine that there is not some connection between the regime and that trade in a country of that kind.

Mr. ROHRABACHER. And to our human rights specialist, just in terms of what we heard from my distinguished colleague, who I respect, who I lost my temper with, but as you are stacking up repressive regimes in the world, and as compared, where we have brutality beyond description being perpetrated on the peoples of different countries, where does Burma stack up? Where does it rate?

Does it rate close to England or France, or does it rate closer to less free regimes?

Ms. DALPHINO. Well, I think, Congressman, as you probably know from our 1993 human rights report on Burma, we do rank Burma as one of the most oppressive, repressively governed countries in the world, the SLORC regime as one of the most incorrigible in terms of respect for human rights and political freedoms in their country.

Mr. ROHRABACHER. So in terms of actually making a decision as to how we will think about this country, the people who actually consider human rights and democracy as part of their value system in evaluating what type of decision and outlook that we will have on certain regimes, if freedom is part of that calculation, you would have—a person with those values would have to say that that regime would be held in the lowest regard of almost every regime on the planet; is that correct?

Ms. DALPHINO. Certainly one of the lower rungs. I think also that if I can say that because of the nature of the SLORC regime, because of the nature of military rule in Burma for the past three decades, it absolutely requires both short-term and a long-term policy, even if our best scenarios came true.

Even if the military SLORC did cede to Aung San Suu Kyi's rule, we would have to be very wary of some sort of reversal beyond that. So holding the military at bay once there is an elected civilian regime in place will also be a very important task.

Mr. ROHRABACHER. And when there are investigations by, and I will cut this short, Mr. Chairman, I know you are indulging me right now and I appreciate that, that when we have expressions by people, respected individuals in the United States, and we have heard these before, that downplay the repression and downplay the human rights abuses that are going on in Burma, what impact does that have on the cause of freedom in Burma?

Ms. DALPHINO. I would have to answer that specifically on specific incidences. We do try to note carefully in the press, of course, which is controlled by the government.

Mr. ROHRABACHER. Does it have a demoralizing effect on those people who are suffering oppression, to hear people downplaying the importance of the repressed, of the fact that they are being oppressed?

Ms. DALPHINO. Well, if I can, I don't mean to play sophistry, if I can turn that around and say that statements in support of Burmese freedom are also noted and embolden both the Burmese people and also inform their neighbors.

For example when Assistant Secretary Shattuck, went to Thailand in March, he took up with the Thai Government this issue of the trafficking of Burmese women into Thailand, specifically with several high-ranking Thais.

His testimony before Congress on this issue was highly reported in the Thai press, and has had some repercussions in the Thai Legislature. So there is a positive aspect.

Mr. ROHRABACHER. I appreciate that thought. I appreciate the very diplomatic way you answered my question.

Thank you, Mr. Chairman.

Mr. ACKERMAN. The Chair thanks the distinguished secretaries for——

Mr. FALEOMAVAEGA. Mr. Chairman.

Mr. ACKERMAN [continuing]. Their indulgence.

Mr. Faleomavaega?

Mr. FALEOMAVAEGA. I do have some questions I want to ask our distinguished panel.

Can you comment how we were able to have the distinguished gentleman from New Mexico to be able to meet with the leader of the military regime as well as with Aung San Kyi? I get the impression if we keep doing these things, having a non-State Department official doing our foreign policy like we have done in North Korea, I am a little concerned about this.

Congressman Richardson certainly ought to be commended for his ability to do this, and I just wanted to ask the Secretary if he could give us, enlighten us on how this came about. It seems to me that there is clear indication that this general does definitely want to establish a firm dialogue or communication certainly with our country, and despite its affiliation as a military dictatorship, I still think that we ought to continue the dialogue in the same fashion that we are doing so with Vietnam at the present time.

So I would like to ask your comments on that.

Mr. HUBBARD. I wouldn't want to provide the details as to exactly what lies behind the invitation to Congressman Richardson to visit Burma.

I do believe he was invited by the Burmese regime. He, as I understand it, he accepted on condition that he could both meet with Aung San Suu Kyi and meet with some of the leaders of Burma.

We welcomed the visit. We offered any assistance we could to Congressman Richardson, and we believe that he has done our Nation a real service.

We do believe it is important that we have communication in situations where perhaps the government is not able to communicate as fully as some Members of Congress or private citizens, like the former President, can do.

So we welcomed Congressman Richardson's visit. We were very pleased that he was able to meet with those with whom he wanted to meet. We only regret that the result of the visit has not yet been an opening of a dialogue between the regime and Aung San Suu

Kyi as he advocated. And we will continue to work in that direction.

Mr. FALEOMAVAEGA. So do you suppose if President Carter gets an invitation from the general, that we will be very supportive of that effort as well?

Mr. HUBBARD. I wouldn't want to speak in a hypothetical case. I am one of those who briefed President Carter before he went to North Korea. I also believe that President Carter has done us a service by opening communication with Kim Il-song and look forward to following up in direct governmental discussions with North Korea in Geneva next week.

Mr. FALEOMAVAEGA. You mentioned in your statement that Myanmar, or Burma—should we call them Burma or Myanmar? What is the official position of the State Department of the name of this country?

Mr. HUBBARD. The official position of the State Department is that we call the country Burma.

Mr. FALEOMAVAEGA. Not Myanmar.

Mr. HUBBARD. Not Myanmar; Burma.

Mr. FALEOMAVAEGA. All right, Burma.

You have indicated in your statement that——

Mr. ACKERMAN. Will the gentleman yield?

Mr. FALEOMAVAEGA. Yes. I would be glad to yield to the chairman.

Mr. ACKERMAN. What does the country call the country?

Mr. HUBBARD. The regime in Burma calls its country Myanmar.

Mr. ACKERMAN. Is there any other country that we refer to by a name other than what it names itself?

Mr. HUBBARD. Other than with linguistic differences, I can't think of any right now. Perhaps Ms. Dalphino can.

I think the distinction here—and I stand to be corrected by people more versed in legal affairs—but we do not believe that the current regime resulted from true representative processes, and as a consequence have not chosen to use the name that they have arbitrarily chosen for their country.

Mr. FALEOMAVAEGA. Wasn't the reason for——

Mr. ACKERMAN. If the gentleman would further yield, this is then a form of slight to the Government of Myanmar-Burma?

Mr. HUBBARD. We intend it as a form of respect to the people of Burma.

Mr. ACKERMAN. Is there any other country that has a nonrepresentative government—I think there are probably a few left—where we refuse to recognize the name of the government?

Mr. HUBBARD. I frankly can't think of any who have changed their names lately. I can't give you a definitive answer on that, but I am not aware of any other situation of that kind.

Mr. ACKERMAN. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Please correct me if I am wrong, but wasn't one of the reasons why the current government does not want to use the term Burma is because it has colonialistic tinges on its historical past?

Ms. DALPHINO. It is, Congressman, often the case that when a new regime comes in, they will change the name simply to signal

that a new group is in charge, although I think that they have cited that reason.

Certainly their predecessors in the Burmese ruling military structure had not had objection to the use of Burma before that.

Mr. FALEOMAVAEGA. Wasn't the term Burma coined by the Westerners more so than by the Burmese themselves?

Mr. HUBBARD. Perhaps you could ask some of the genuine experts on Burma who are coming in. My understanding is that, as often is the case with foreign languages, the names are somewhere between Burma and Myanmar, and it is just a matter of what they call it in English.

Mr. ROHRABACHER. And has a shaving cream ever co-opted the name of a country before?

Mr. FALEOMAVAEGA. I didn't mean to get into semantics——

Mr. ACKERMAN. It makes it very difficult for us stamp collectors. I have a collection of Russia, that then became a Soviet Union collection, that is now back to a Russia collection. I refused to change the album cover, but I got the same stamps.

Mr. FALEOMAVAEGA. I have two more questions, Mr. Chairman.

I just wanted to know from the Secretary if he has the information, what is the value of Khun Sa's narcotic trade system that goes on right now in Burma?

And secondly, you mentioned in your statement that Burma currently is probably the world's largest producer of heroin. Is it not a fact that the United States is the largest purchaser of heroin in the world? And if so, what are we doing about preventing this catastrophic problem here that we are faced with in our country?

Mr. HUBBARD. I couldn't, Congressman, give you an answer as to the value of Khun Sa's narcotics trade, but it is enormous.

And, yes, I do believe we are the largest consumers of heroin. It is a matter of deep concern to all Americans and to all of us in the State Department. I am not personally involved in the domestic effort to combat that, nor is anyone else with me today.

Mr. FALEOMAVAEGA. Just to follow up, my question is that—I mean it is nice that we put a label on Burma about being the largest producer, but I wonder if the State Department is also seriously considering what are we doing about being the largest purchaser of heroin in the world?

Mr. HUBBARD. I am certainly not comfortable with the label of the largest purchaser of heroin in the world, and certainly our role in the State Department is to try to combat that abroad. We favor anything that can be done to combat the problem at home.

Mr. FALEOMAVAEGA. Ms. Dalphino, I think you wanted to comment.

Ms. DALPHINO. No.

Mr. FALEOMAVAEGA. I thank you, Mr. Chairman.

I appreciate Mr. Secretary and Ms. Dalphino's statement.

Mr. ACKERMAN. Thank you very much.

The gentleman raises a most interesting subject; that is, if we raise the point that the Government of Burma is not doing all that it really can in order to stop the illicit drug traffic being produced in their country, the amount that somehow gets exported from there that winds up on our shores is the same amount that they have produced for us.

Should we not be protesting the very fact that that amount is reaching our shores? Not necessarily your subject area on the receiving end, but all the same, that point is very, very well taken.

We are happy to be joined on our panel today by the distinguished ranking member of the full committee who has participated more than any other ranking member in the history of the Congress, in the subcommittees of the full committee.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Again I want to commend you for what you are doing with regard to the Burmese problem and to keeping it before the public and focusing attention on all of the human rights violations. I hope, too, that our State Department people will keep focusing attention on the massive amount of heroin coming out of that country, with apparently no strategy for cutting back on that massive amount.

While we recognize we have both a supply and demand problem, we soon find that countries that are suppliers soon become the victims of their own supply. General Khun Sa certainly is making certain that the supply gets worldwide attention.

Someone asked about, I think it was our gentle—the Delegate from Samoa—asked about the extensiveness, General Khun Sa is known to be the wealthiest drug trafficker in the entire world with properties that he owns right in the chairman's own district in New York, worldwide. We never did get a full accounting of the extensiveness of his wealth. But that wealth is built upon the poisonous substances that he is sending around the world.

What are we doing? What sort of effort are we making? Even though we have a problem on human rights with Burma, what are we doing? We can't neglect any strategy on reducing Burmese production and Khun Sa's distribution agency.

Can you tell us, Mr. Hubbard, is there any—are there any efforts out there to cut back the supply? In conjunction with that, we understand the Thai people are trading in the logs that are coming out of Burma and giving some opportunities for the Burmese to ship through Thailand some of their poisonous substances. Some of it is going westward toward India as well and new routes where some of that material is flowing.

Can you tell us a little bit about what our administration is doing to try to cut back that supply?

Mr. HUBBARD. Well, first, Mr. Chairman, we are deeply concerned about the problem. And the fact that our narcotics programs in Burma are limited reflects the fact that we do not believe we have a regime there with which we can effectively work to combat narcotics in Burma.

We have a very small DEA presence. We are trying to gather intelligence. We have worked with the UNDCP on various crop substitution programs in Burma and in surrounding countries.

Mr. GILMAN. Let me interrupt you a moment. What was our contribution last year on UNDCP?

Mr. HUBBARD. I understand it was $1.5 million.

Mr. GILMAN. $1.5 million out of a total fund of, what, $15 million or something like that?

Mr. HUBBARD. I am not sure what the total fund is. I can find out for you.[1]

Mr. GILMAN. And how many countries are contributing to UNDCP? Out of, what, 184 nations, what are we doing about beefing up that fund?

If we can't alone, certainly the U.N. ought to be able to be doing something, and I would hope that we could encourage other countries to pitch in with us instead of our Nation bearing the burden as we do in most of the other U.N. efforts, but forgive me for interrupting you.

Mr. HUBBARD. We will take that up. We have been trying to work with the neighboring countries, in particular Thailand, in trying to cut back on the flow of narcotics out of Burma.

Mr. GILMAN. How about India and China?

Mr. HUBBARD. In the case of China, there are a number of barriers to narcotics cooperation in China. We are trying to improve that.

Mr. GILMAN. What are the barriers there?

Mr. HUBBARD. We have the lingering effects of the Goldfish case, which I think you know much more about than I do. I don't personally deal with China. But we are looking at ways in which we can strengthen our narcotics programs in working with the Chinese.

Mr. GILMAN. I thought now that we gave away the store and gave them Most-Favored-Nation, we ought to get a little more cooperation out of China.

Mr. HUBBARD. We would hope that would pave the way for better cooperation across the board with China.

Mr. GILMAN. What about India?

Mr. HUBBARD. India is outside my bureau and I am not certain.

Mr. GILMAN. What do we do, draw walls around your——

Mr. HUBBARD. We do, in this case.

Mr. GILMAN. I would hope you would take a look at it, because it affects that whole region, and certainly we need the cooperation of China and India and Thailand and all the other neighboring nations.

Mr. HUBBARD. I do participate in our Agency Working Group on Counternarcotics and I will take these issues up in that working group.

Mr. GILMAN. We would welcome that, Mr. Hubbard.

Mr. FALEOMAVAEGA. Will the gentleman yield?

Mr. GILMAN. Be pleased to yield.

Mr. FALEOMAVAEGA. I just wanted to ask the Secretary that, by way of what you indicated, we are actually just putting in a couple of pennies to control a multibillion dollar industry.

So for that matter, we are just literally tokens in terms of, say, making every effort. But in reality, we are not really doing anything about it. And I just want to express that concern.

I was in Thailand recently and as we all know, Bangkok is the capital, the world capital, the brokerage capital of heroin in the world, and it comes all the way from such a long stretch. How it gets to Bangkok, and then from there, we just do not have the ability to monitor it. And what is even worse, how many Cruzans do

[1] EDITOR'S NOTE: The information will not be a part of the printed hearing record.

we have here in the United States that thrive to profit tremendously from this industry?

And how—I just don't understand. I hear commitments and everybody saying we are going to do something about it, and yet in the streets, it goes on and on.

Is this seriously being considered by Secretary Christopher and the highest level of this administration, to really do something about it for a change?

Mr. GILMAN. You haven't heard much.

If I might respond to the gentleman, we haven't heard very much from the administration with regard to that effort, and I hope, Mr. Hubbard, you could remind them.

Since we do have a problem in dealing with the regime of Burma because of the repressive human rights problems, what better vehicle than the UNDCP for expressing our Nation's concern about heroin and the world's concern about it?

Why can't we beef up what UNDCP could do with regard to the Burmese exploitation and export of this deadly drug?

Mr. HUBBARD. We do, Mr. Gilman, believe that the programs that the UNDCP is currently involved in in Burma and the surrounding areas are appropriate. We are doing what we can to assist their funding with the means available.

We support the activities of UNDCP and I will be very happy to take a look at ways in which it might be expanded.

Mr. GILMAN. Could you provide this committee with what significant efforts UNDCP is doing with regard to the Burmese exportation and production of poppy crops and the possible eradication of those crops and the distribution of heroin out of that country?

Could you supply our committee with that information?

Mr. HUBBARD. Sure.

My understanding is that the programs UNDCP is involved in in Burma and surrounding areas is crop substitution. If you would like, I could try to provide more details on just what is occurring and how effective it has been.

Mr. GILMAN. Mr. Chairman, with your permission, if that could be provided to the committee, made part of our testimony.

Mr. ACKERMAN. The record will be kept open in receipt of this and any other information.[2]

Mr. GILMAN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

Mr. HUBBARD. Do you, Catharin, have any more you would like to add to that?

Ms. DALPHINO. With the caveat that I am not one of the State Department's people working in narcotics, we are concerned with the change in the flow of heroin out of Burma.

Mr. GILMAN. Before you do interject your testimony, I just wanted to make certain we had recognized, Mr. Chairman, you may have done it earlier, the duly elected Prime Minister of Burma, Mr. Sein Win, who is in our audience.

Mr. ACKERMAN. He will be the next panel.

Mr. GILMAN. Thank you. Ms. Dalphino.

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[2] EDITOR'S NOTE: The information referred to will not be a part of the printed hearing record.

Ms. DALPHINO. Congressman, as I said, we have been sensitive to the change in——

Mr. GILMAN. Could you move that a little closer to you, the mike? Thank you.

Ms. DALPHINO. We have been aware of the change in the heroin flow out of Burma and it has gone increasingly through China rather than through Thailand. And to that, for that purpose, Assistant Secretary of State for International Narcotics Matters, Bob Gelbard, did visit China recently, as well as Thailand, did enter into direct dialogue with the Chinese Government on this problem, and we do expect this dialogue will continue.

Mr. GILMAN. Well, I am pleased to hear that. Maybe you can encourage the administration to take a look at the $37 million cut in his budget, and we don't want to cutoff his transportation to these important areas, and it would be nice to hear the administration sound off to the Congress their opposition to that kind of a cutback in INM's budget.

Thank you, Mr. Chairman. I want to thank our panelists.

Mr. ACKERMAN. Thank you very much.

This panel is dismissed with our deep gratitude. There is a vote on in the House. Rather than interrupt Mr. Sein Win's testimony more than necessary, we will stand temporarily in recess until the members return from the pending vote.

[Brief recess.]

Mr. FALEOMAVAEGA [presiding]. The subcommittee will come to order.

We have as our next witness for the panel is Doctor Sein Win, the Prime Minister of the National Coalition Government of the Union of Burma. I want to express the chairman's regrets that he has a—he has another meeting, and I presume it is with the White House, you know, one of those things, and would very much like to hear Prime Minister Win's testimony before the committee this afternoon.

I want to offer my personal welcome to you, sir. Without objection, your statement will be made part of the record. If you have any other miscellaneous materials or things you would like to add onto it, be more than happy to be made part of the record.

Dr. Win.

STATEMENT OF SEIN WIN, PRIME MINISTER, NATIONAL COALITION OF THE UNION OF BURMA

Mr. WIN. Thank you, Mr. Chairman. Thank you for giving me this opportunity to address the issue of Burma.

First, I would like to introduce myself and then a little bit, very brief, on the past events in Burma.

In the case of Burma, it is very important for the people to know about past, when we are judging the present situation, and maybe also speculate over the future of the native and future development. So let me go very, very briefly about the past event.

First, I am a mathematician by profession, and entered politics in 1988, out of the political necessity. I am the first cousin of Nobel Prize Laureate Aung San Suu Kyi.

I am elected representative of Paukkaung, in Pegu Division, and I just have to start this kind of movement because the military in

Rangoon don't recognize their own election. So what I would like to say is that we have about 14 years of democracy in Burma after the independence.

It is not the democracy as we expect from the very establish——

Mr. FALEOMAVAEGA. Dr. Win, could you hold just 1 second? I would just like to make an announcement.

The committee policy, there is to be no eating here in the committee, please. It becomes somewhat distractive to some of the other visitors who are wanting very much to hear the witness. Be more than happy to have you join in the hallway if you would like to eat your lunch or whatever. I will even put a chair out there if you need it.

But please, it is a committee rule, I would just like to remind our friends who are here with us this afternoon.

Dr. Win, please proceed.

Mr. WIN. Thank you.

Mr. Chairman, we have our democracy for 14 years after the independence. It is not the democracy as in the established countries, but we still have that type elections annually. We have—we had press freedom, which is comparable to the standard now have, the press freedom in Thailand, if not more than that. So what we would like to stay is we have democratic system for 15 years.

At that time, we don't know any problems about this drug problems, narcotic problems, not at least at the proportion that now we are facing. We don't have a problem with illegal immigrant and refugees problem and so on. But in 1962, Ne Win took over the power from the democratically elected Prime Minister U Nu. Then we have the country go down the way until 1987, when the United Nation declared Burma to be a least developed country in the world, one of the least developed countries.

So Burma was a prosperous country when we compare with the country around us. And then in 1988, the people of Burma rejected the leadership of General Ne Win. The whole nation rose up. The people called for a multiparty parliamentary democracy, and the freedom to decide their own future. Their demands were not heeded.

Instead, thousands were shot and killed and the military again reexerted control as the State Law and Order Restoration Council, or SLORC. So the military is still in power in 1988 after the people uprising.

These are the same, it is a continuation of the Ne Win military clique. And then again in the 1990 general election, the people of Burma make a choice for a leader and the government clearly known.

Nobel Peace Laureate Aung San Suu Kyi and her National League for Democracy won 392 parliamentary seats out of 485. In contrast, the military-backed party won only 10 seats. And then again, once again, the military refused to respect the will of Burmese people and claimed that it could not transfer power to the NLD because there was no constitution in place.

At that time, the NLD caucus met and they decided to send some of the elected representatives to the liberated area to form a provisional government. I am one of those who was sent out and on 18 December 1990, we formed the National Coalition Government in

Manerplaw on the Thai-Burma border. So it is in the current state, Manerplaw is in the current State. We were welcomed and given protection and supported by the ethnic leaders in the democratic alliance of Burma.

Based on this working relationship, now we form a national coalition—council, that was formed in 1992. So since then, we are doing the work which we hope to do. That is to do the work like I am doing now, talking about Burma and explaining our situation.

We think it is quite successful when we look at the record. The United Nation General Assembly has for 3 consecutive years adopted consensus resolution calling for the military to honor the 1990 elections.

In 1993, the UNGA requested the General Secretary—Secretary General—to assist in the implementation of the resolution and we are requesting that a special envoy for Burma be appointed.

So that is what we would like to see, the special envoy of the United Nation to—with a mandate to mediate between Aung San Suu Kyi and the SLORC.

We have our movement, the democratic movement, have many supports coming from many countries. One of them is the democratic Voice of Burma Radio. That brought prosperity to Burma from Norway. The radio is funded by the Governments of Norway, Sweden, Denmark, and the United States of America through the National Endowment for Democracy.

Political and financial support for the Burmese democracy movement to lobby internationally is provided by Norway and Canada. The Burma policy review ordered by President Clinton last year has also helped to focus world attention on Burma. So we are very much thankful about that, about the countries who are helping us and of course specially to President Clinton and the U.S. Government.

But what we found out is that the military regime is countering our effort and they are now holding a national convention and I would like to say something about it. Of the 699 delegates appointed to the national convention by SLORC, only 28 are peoples representatives elected in 1990. So one can see how democratic the process is.

The stated purpose of the convention is to draft a new constitution, but the real intent is to nullify the results of the 1990 elections. And in that convention, the Constitution will adopt—the new constitution will give the military a leading role in Burma's political future. They are there for more than 30 years and they still want a leading role constitutionally based. That is now what they are doing.

So when we see what constructive engagement is doing some success, we don't see that as a success. In the ethnic area, SLORC-initiated cease-fire negotiation with various groups to divide the opposition along ethnic lines. To intensify the pressure, the army stepped up its Four Cuts Strategy to deprive the resistance of information, food, finance and recruits.

It is estimated that over 800,000 people have been uprooted in ethnic area by this policy. So the SLORC policy of divide and rule has created a lot of suffering to the people of Burma. And then we see that villages are also conscripted to contribute voluntary labor

to development project undertaken such as the natural gas pipeline from Burma to Thailand that is being undertaken by Unocal, Texaco, Total of France, the Petroleum Authority of Thailand, and Nippon Oil.

So the development project now invested in Burma has created, according to our information that we get, a lot of suffering, like forced labors, forced relocations and so on. So we see that the investment now putting in Burma has essentially not helped the people of Burma. Instead, it is creating directly or indirectly human rights violation, especially in the area of the ethnic controlled areas. So that is what we would like to say.

Now we come to about the—about this so-called constructive engagement. Internationally, SLORC is utilizing a professional lobbyist in the United States and friendly business people to argue on its behalf that a tough stand on human rights and isolating SLORC is counterproductive. They say that more trade with Burma will bring about democratic reforms and more respect for human rights.

Contrary to these arguments, I believe that the tough human rights position adopted by the U.S.A. and others have produced results. For example, without the suspension of aid in 1988, SLORC would not have held the 1990 general elections. In addition, it can be claimed that the open-door policy that is now being exploited by Burma's neighbors and the friends of SLORC would not have come about without the aid suspensions.

That is our belief, because we have all kind of examples in 1970's when they need foreign currency and they got it from some monetary institution in some other countries, especially from Japan. They just delay and then they don't make any reform until 1988, when they are forced to make the reforms. So that is what our position and what our analysis is.

Evidence in the last years, last 6 years, have shown that SLORC is not equipped to deal with the major problems Burma is facing, political, economic or social. There is no doubt that SLORC does not have the support of the populist.

In spite of the army increased force of over 300,000 men, SLORC is a beleaguered invading army in its own country, safe only within its armed enclaves. For SLORC to continue ruling, it must be able to contain the economic crisis, which we think they have to face, and hope that some minor incident does not spark a violent outburst as in 1988.

The military must also be able to retain its cohesiveness after General Ne Win dies, and at the same time, it must keep the ethnic groups from once again joining the democracy movement.

Therefore, in closing, I would like to recommend the United States to adopt a more proactive policy to bring about real change in Burma in a peaceful manner. The U.S.A. can work literally through ASEAN or through the United Nations to ensure the military would agree to begin a dialogue with the democracy advocates led by Aung San Suu Kyi, and with the ethnic leaders of Burma.

I believe that to bring about such an agreement, it is vital that the strong human right policy be maintained or even increased. Arms embargoes and economic sanctions are some of the tool that can be utilized.

Mr. Chairman, in conclusion, I would like to quote South African Bishop Desmond Tutu: "Tough sanction, not constructive engagement, finally brought a release of Nelson Mandela and the dawn of a new era in my country. This is the language that must be spoken with Thailand. For certainly it is the only language they understand."

Thank you very much.

Mr. FALEOMAVAEGA. Mr. Prime Minister, thank you very much for a very comprehensive and profound statement of the problems affecting your people and the country of Burma.

[The prepared statement of Mr. Win appears in the appendix.]

Mr. FALEOMAVAEGA. I recall several years ago that one of the outstanding leaders that a native son of Burma had produced, the late Secretary General of the United Nations U Thant, I think a well-noted celebrity, at least in my earlier days in reading contemporary history and the problems there.

I am just a little surprised, I thought maybe even in his time that Burma was a very stable country and that you did not have the problems that you now have.

I wanted to ask a question. You mentioned that SLORC almost—it makes me feel like I am going to say slurp, but SLORC—you mention in your statement SLORC has hired a professional lobbying organization here in the United States to advocate its position here, I suppose lobbying the Members of the Congress as well as the public here in the United States.

For the record, do you have that information, who this lobbying firm is.

Mr. WIN. Yes. Excuse me, Mr. Chairman.

Answer. The lobbying organization in the United States is the International Trade and Development Agency, Inc., located at 2111 Jeff Davis Highway, Arlington, Virginia 22202. The president of the agency is former Congressman Lester Wolff, the Embassy of Myanmar through Ambassador U Thaung retained the services beginning February 1, 1993.

We have the record and, of course, one can interpret it in many ways. But if we don't have a record, I would not say this in this hearing.

Mr. FALEOMAVAEGA. Well, that is very good. So much for Freedom of Information Act. You bring out a very interesting position that you have taken about trade sanctions and embargoes, and that you feel that the United States, as a matter of a fundamental policy toward your country, that strong trade sanctions or embargoes should be applied to the current regime, against the current regime in Burma.

I think you will appreciate the fact that there are mixed feelings here among the Members of the Congress about the effectiveness of trade sanctions. I think you have seen my dear friends from California, the gentleman on my left, Congressman Rohrabacher, and Congressman Martinez, have entirely opposite views about trade sanctions and its ineffectiveness, at least in the view of one member, and I just wanted to alert you to that fact, that it has worked in some countries and it has not worked in other countries.

I wanted to ask you if you could be more specific why you think very strongly that the lower echelons or the people that are really without the means to support themselves in Burma are not going

to be severely affected if strong trade sanctions would be applied against Burma. That seems to be the concern among some of the members.

I guess on the other side, perhaps that there needs to be more patriots standing up against this military regime. I realize you got 300,000 soldiers. That is quite an enterprise to undertake if you are to go against the current regime by way of military force.

I am at a loss of words really to suggest how we might best serve this, other than the fact that I am sure that this issue is known among the several countries having personal interest, involvement here in your country.

One of the ironies that I find in the statement that was issued by the Deputy Assistant Secretary earlier this morning, it was the fact that some of our Western great democracies are the very ones that are providing tremendous investments to this military regime.

How can we find a balance in this? I mean your suggestion that we do this against some of our Western allies are the very ones that are conducting investments to do business with the present regime. What do you suggest that we ought to do with our Western allies?

Mr. WIN. Mr. Chairman, one thing, we are very much aware about the trade sanction controversy, pro and con, and whether it is effective or not.

Of course, there is an argument and counter argument. I think I don't go through it, because there are economic experts and so on. But what I would like to say, and very clearly, is that the investment now going in is not helping the people of Burma. It is going mostly to the pocket of the generals and that help them to consolidate their power, that help them to buy arms which is more than $1 billion worth from China, that help them to enlarge their army from about 180,000 before 1988, now to more than 300,000, within a short span of time, and that helps them, the military, and not the people.

Now what we see is the gap between the rich and the poor are growing daily. The inflation is very high. The salary workers at Rangoon don't know how to live. That is what is happening because of this investment coming in, that they could survived.

The main thing is that they could not have survived if there is no investment coming in. So what we are advocating is that at least there should be a threat of something, some concrete should be done, so that they know that the United States means business.

That is, we would like to see this happen because when we look at the investment, the leaders, that is what we know about the leaders, is about 1993, November, according to the statistics, U.S. investment is at the second place after Thailand, about $200 million. And there are also from the European countries, Britain and Netherlands are very much invested.

So it is very difficult for us not to see this statistic and take into account that the United States is at the second place in investment in Burma.

Mr. FALEOMAVAEGA. In addition to that, Dr. Win, I would also like to inform you that the United States is probably now the number one seller of military arms goods to the world. So how do you suppose our allies or friends, friendly countries, are going to react

if we are going to be the ones to be the leader in saying that we ought to impose sanctions and we are the very ones that we are doing the same things like other countries to others?

How can we tell the other countries to do something that perhaps in their inherent right as a sovereign nation is their prerogative to exercise?

Mr. WIN. Mr. Chairman, one thing that I would like to say very much is the case of Burma is quite different from other cases. In 1990 election, the people has voted very clearly. They have given the mandate to the NLD party and so on.

The United Nation has passed resolutions for 3 consecutive years. Very few countries have that kind of things to show. And the second thing is that the investment is creating human rights problems in Burma. Forced labors, we heard a lot of information about this development project, the military used the forced labors, and this caused a lot of suffering to the people.

The social fabric, they just devastated, because the laborers are farmers and rural people, they have to left their works or farms and come and do this project. We know about this project, like rail line construction, airport construction, and then many other projects.

So the investment is not only helping this military regime indirectly, but it is creating also this human rights violation very, very much. That is what we would like to say.

Mr. FALEOMAVAEGA. The gentleman from California.

Mr. ROHRABACHER. Dr. Win, the pro-democracy forces in that election won what percentage of the vote?

Mr. WIN. More than—I think in seats, more than 82 percent of the seats.

Mr. ROHRABACHER. Eighty-two percent; and do you think that if we had more foreign investment, more Americans pouring money in there, that it would convince those 82 percent of the people who already voted for democracy that they would want democracy even more?

Mr. WIN. No. On the contrary. The people in Burma will not be very much informed and they will see this investment coming as a support of United States to the military regime, and the military regime take that advantage very well.

They said, "Oh, we don't care or we don't know about the Congress' resolution. We don't know about the Senate's resolution."

What we know is the U.S. companies are investing in us, they have confidence in us, and they are at the second place, only after Thailand, that is in 1993.

Mr. ROHRABACHER. Do you think the—do you think those people who hold power now in the regime, that by foreign investment will make them see the light and become much more enlightened and want to have more Western democracy in their country?

Mr. WIN. I don't think so. That is what I am trying to—here to say about the trade sanction. At least a threat should be put on this military regime very seriously. Otherwise they will not heed and they said, "OK, we are getting all the investment money, we are getting all the help we need. The people put confidence in us. We have some kind of, in a sense, legitimacy."

That is what they are going after.

Mr. ROHRABACHER. The theory would suggest that we should basically engage Burma by having investments go into the country, which is just absolute nonsense. As I have just pointed out, as your answers suggest, the people who hold power are not going to be any more inclined toward democracy, and the people who have already voted for democracy won't be any more inclined toward democracy.

The most—the only impact that I could see foreign investment would have would be possibly to demoralize those people who do believe in freedom and embolden the people who hold power illegally.

When you are citing the statistics in terms of foreign investment in Burma, I am just—this is my guess, but correct me if I am wrong, that the amount of investment that is coming in from China is not really included in those figures. China may well be one of the top investors in Burma today.

Mr. WIN. Yes.

Excuse me. What we know about China is mostly it is a trade, but the Chinese goods are monopolizing the Burmese market and in that sense, they have more than what they are doing. And, of course, the Chinese have also put foreign aid mostly for infrastructure constructions, like roads and so on.

Mr. ROHRABACHER. And the roads that China has been building from the reports that I have seen are being used to carry timber and other natural resources from Burma into southern China. Isn't that correct?

Mr. WIN. Yes, that is correct. We heard a lot about this deforestation on the China-Burma border. Many people put a lot of focus on the Thai-Burma border, but it is really happening in China-Burma border, and this border trade that is now going with China and Burma could have a lot of implication to the Burmese.

Mr. ROHRABACHER. It is a mammoth amount of trade that is going across these roads that have been created. In terms of the economic investment, some people think in terms of investment as being investing in building a factory or some other type of company such as that.

In fact, some—a lot of foreign investment is dealing specifically with exploiting natural resources. For example, in consuming the fish that exist in the waters around Burma or taking the oil and natural gas that are present within the borders of Burma or cutting down the timber within the territory of Burma. Now, this—the fish, the oil and the timber, these are resources that belong to the people of the whole country, are they not?

Mr. WIN. Yes, that is what we are saying, that these resources, which I just mentioned, are very important for us. Not now, but also for the future. But this military regime is mortgaging the future of the country.

Mr. ROHRABACHER. So these natural resources not only belong to the current generation of Burmese, but——

Mr. WIN. To the people.

Mr. ROHRABACHER [continuing]. To the people in generations ahead that may need these resources and the wealth that these resources can generate. So the people who are investing are really doing nothing more than participating in the raping of this genera-

tion of Burmese, but also future generations, for their own profit. And as we have already pointed out, that in no way leads to further democratization.

So isn't this the worst type of, you might say, degenerate profit-making that you can think of that is going on in the world today?

Mr. WIN. One thing I would like to say is that there is—the people think that when you invest and then the military regime will start to become more flexible and then it would become more near to the democratic reform. We have experience now about 6 years since 1988, and in no way it is near to democratic reforms.

Of course, they are doing some—releasing some political prisoners and doing this and doing that. We have our standard, our monitoring about the human rights. It is about 11 points. And in no points is this military regime really satisfying it, the human rights development.

So this 6 years, the other countries have put a lot of investment money in Burma, and the economic situation and then also the political situation, human right situation, is becoming no better. That is a factor I would like to say.

Mr. ROHRABACHER. And I know the—I thank the Chairman for indulging me with this time. I have just one last point to make in this line of questioning.

So if the investment, which basically is the cost of building pipelines or fishing fleets or fishing processing plants, or the cost of cutting down timber and building the—and buying the trucks or whatever equipment is necessary to get these products to market, that is the investment. It takes away from all of the people of Burma, today and tomorrow. It does not lead to further democracy.

Now, here is the question. The money that is being paid by the corporations, in order to have the right to steal these resources, and the money that is being paid is going to an illegitimate government; that money is being used for what?

You said the military went, has been greatly increased. It has been regularly increased because it has had foreign reserves. So these investments that are being made in order to steal these natural resources are being used not for the people's benefit, even the people's benefits, much less democracies, but are being used today to bolster the military's power, military power; is that correct?

Mr. WIN. Yes, because when we look at the arms they are buying, the amount of arms and also their enlarging of the army within a very short time, and also the operations they are now having offensive, that is starting from 1988 and then right now there is fighting going on as we all know in the Shan State. But the potentiality of offensive again in Karen and Mon State is very real.

So they use it for their own purpose, and of course, we know about the military intelligence and we know about the corruption that the military regime is now indulging. So they are all going in that direction.

Mr. ROHRABACHER. I will end my questioning with just one area. We have already then covered the area where people are thinking they might be doing something good or excusing bad behavior with a cover of an excuse of doing something good.

There is no validity to that argument at all, as we have just seen. But let me add this, and I wish the people of Burma—well, I have been a supporter of your cause.

As you know, we met ourselves on the border of Thailand and Burma several years ago and we have been in contact since. I hope that you realize and the other people who are struggling for Burma realize that the answer, even if we stop investment from coming in from the United States and other countries, the answer to the democracy and freedom in Burma is not in Thailand, is not in the United States, isn't even in China. The answer is in Burma.

I know that there has been a lot of people who have taken upon themselves because of the frustration to attack the Thais and attack ASEAN countries, et cetera, for not holding firm against the dictatorship, but let me just end this with this thought: Until the people of Burma are willing to fight and to bleed for freedom and to take the risks that are necessary, you won't have a free country.

I hope the people of Burma can understand this. They have to act. The longer it drags out—you cannot blame the Thais for wanting to make a profit. You can't blame the people who are trying to profiteer even from the United States for wanting to do this.

If this situation, this dictatorship continues, that will happen. The real solution does not lie in other people's commitment to freedom in Burma. It lies to an absolute commitment on the part of the people themselves, and I am afraid that that has been lacking. And that is why this has continued.

Mr. WIN. I am very much aware of what you have just said, and we are all agreed that the people of Burma has to stand up and fight. And, of course, we cannot blame the business people when they are looking only for profits, because profit is the only standard the business people will measure.

But what we are saying is not to paint a false picture. What I am saying is that investment does not help the people of Burma. I am not saying the investment people should not look at the profit.

Of course, they have all the right to look at the profit, if they choose it, and we cannot stop it. But what we are saying is that investments in Burma do not help the people of Burma. That is what I am saying.

Mr. ROHRABACHER. Thank you.

Mr. FALEOMAVAEGA. Thank you, Congressman.

Dr. Win, I think your points that you have made are quite poignant, at least addressing the issues that you have raised.

I just have one or two more questions here. You indicated that 82 percent of the voters voted for democracy in the 1988 election. What percentage of the population is that?

I mean how many people is that out of the total population of Burma?

Mr. WIN. One thing is that it is very difficult to say right now, because we have not the statistics. But even the people who—in Burma when you are above 18 years, and if some kinds of general condition is satisfied, you are eligible to vote for the election. But, of course, the ethnic area, where there is an offensive or where the ethnic control areas are excluded, and at the same time of course the Hmongs and Hnongs and others are also excluded.

Of course, this means we have about 300,000 Hmongs, and they are, of course, excluded.

Mr. FALEOMAVAEGA. Just tell me this, what is the total population of Burma right now?

Mr. WIN. Right now it is about 42 million.

Mr. FALEOMAVAEGA. And out of the 42 million, how many are Burmese?

Mr. WIN. About—it is difficult to say the real statistic, but we think that it is about 60 percent, a little bit more than 60 percent.

Mr. FALEOMAVAEGA. Sixty percent.

Mr. WIN. Yes.

Mr. FALEOMAVAEGA. Do you have any idea what percentage of the people participated in that 1988 election, among the Burmese?

Mr. WIN. Among the Burmese, everybody who, as I have explained, satisfying this condition, they participated.

Mr. FALEOMAVAEGA. What I am saying is you are saying 82 percent of the people voted for democracy, but that could be 100 people. I am trying to get a general idea if it is 42 million or let's say 30 million participated in the election, and 82 percent of that 30 million voted for democracy, then I have a better understanding of it.

Mr. WIN. I think that the turnout is more than Thailand, because we know—we were in Thailand, and when there is election time, people don't go. But I think that—of course, I cannot make this statement here because of you want real statistics, it is very difficult.

Mr. FALEOMAVAEGA. Just your best guess.

Mr. WIN. My impression is about 50 percent at least.

Mr. FALEOMAVAEGA. So about 20 million people participated in the 1988 election, and of that, 82 percent voted for democracy?

Mr. WIN. Yes.

Mr. FALEOMAVAEGA. I see.

I am wanting to go back again to your point about the investment aspects, and where countries like Poland, Portugal, Singapore, South Korea, China, and I suspect even France, Great Britain and others, who have made investments in Burma, what would be your suggestion on how we could convince our friendly countries here not to make investments in Burma, including the United States?

Mr. WIN. One thing we are——

Mr. FALEOMAVAEGA. Give us the solution.

Mr. WIN. The solution, of course, is persuade the people that the investment is not helping the people of Burma. It is prolonging the military dictatorships and the Burmese economy, right now it is not—the national economy is not in a good shape. We have all the reports from the economics there. And then, of course, this—once there is a democratic government there, of course, they will welcome the foreign investment.

It is the same people who have shut the door for 26 years.

Mr. ROHRABACHER. Mr. Chairman, would you indulge me a follow-up question to the point being made right now?

Mr. FALEOMAVAEGA. I would be happy to.

Mr. ROHRABACHER. Some of the foreign investors who are thinking about investing in Burma now are oil companies, and they will

be building pipelines. You are expressing today that you would hope that the oil companies would out of the goodness of their heart take moral stands against oppression by hesitating to make this investment and lay those pipelines.

Is there anything else that you might be able to tell the oil companies besides appealing to their good nature, to the better side of their personalities? Are the pipelines that they will be building in Burma secure from the democratic resistance?

Mr. WIN. The one thing about—this pipeline is the biggest problem it could create in the future. The pipeline is going through this area, right across this Mon and Karen area. And the Mon and Karen has not yet have a cease-fire agreement with SLORC, and we don't know, even this has created a lot of problems, human rights problems like relocating the villages and the Thai, pushing back the refugees.

Mr. ROHRABACHER. Let me be very specific.

Do you believe the pipeline will be blown up if it is built?

Mr. WIN. It could be. It could be. We cannot exclude this. Of course, we cannot exclude it. It could be.

Mr. ROHRABACHER. That was my follow-up question.

Thank you.

Mr. FALEOMAVAEGA. In the sentiments that have been expressed earlier by my good friend from California, I suppose the bottom line, Dr. Win, is we need a couple more George Washingtons and Lafayettes, and I suppose even to the point of saying with intestinal fortitude to stand up to the current regime if we are ever going to get real support.

Now it is well and good that we can say everything in paper about your winning the democracy in 1988, and we can get United Nations, you know, they shuffle paper over there all the time and do all these rhetorical things. But when it really comes down to the bottom line as my good friend from California had mentioned earlier, the Burmese people themselves have got to take their due position.

If it means having to make it in a revolutionary stand, if we will, I think this is perhaps where that concern comes from.

And I tend to agree with my friend from California, if 82 percent of the people vote for a democracy, sometimes democracy does not come cheap. Just as the way that this country was founded in blood, because they believed in certain fundamental principles.

I am sure your people do the same. But I think it is going to require more than just appearances and newspapers and all this friendly persuasions that we have tried do through the United Nations and several other organizations.

Mr. WIN. Mr. Chairman, let me just interrupt it. We know that this military regime, the international pressure is hurting them. That is one thing I would like to say very much here.

Mr. FALEOMAVAEGA. Is hurting them?

Mr. WIN. That is hurting them. That is why they let Aung San Suu Kyi meet with Congressman Bill Richardson. That is why they released some of the prisoners.

Otherwise, that is why they held election in 1990. The international pressure, especially the United States and the Western

countries, are putting them in a great difficulty. It is hurting them, because we know them.

If they want monetary help, foreign aid, loan grant, they will come to United States. They will come to Japan. They will go to Western countries, but if they need arms and ammunition, they will go to China. That is their way, and we know them, and that is what we want to stop them.

Mr. FALEOMAVAEGA. What is your best judgment in terms of exactly how much heroin comes out of Burma, the dollar value?

Mr. WIN. We got it from the State Department report, all those, and we are sure that the U.S. Government knows more about than us.

Mr. FALEOMAVAEGA. Are you kidding?

Mr. WIN. But one thing is that we have some information coming out from the area, war area.

Mr. FALEOMAVAEGA. With less than 10 DEA agents operating out of Thailand, you are saying we have more information than you have?

Mr. WIN. But the United States has a satellite and they have, of course, a good——

Mr. FALEOMAVAEGA. Well, the reason why I am asking this is, seriously, if this regime is able to purchase $1 billion worth of military hardware, I am asking, does a lot of that come from the heroin traffic? And if so, we need to seriously look at this. And I am trying to get an idea from you, if you happen to know, what is the dollar value of the heroin that comes out of Burma?

Mr. WIN. Yes, it must be very big dollar value, but——

Mr. FALEOMAVAEGA. But you don't have any information on that?

Mr. WIN. We will try to get information.

Mr. FALEOMAVAEGA. Could you, please? I would really appreciate it.

Dr. Win, thank you very much. We really, really appreciate your statement.

Mr. WIN. Thank you.

Answer. Opium production in Burma has increased to over 2,000 metric tons per year, and that is about 250 tons of heroin, out of which 80 percent reaches the United States. We have no knowledge of the dollar value of heroin.

Mr. FALEOMAVAEGA. Our next panel is Mr. Thomas—I am sorry, Mr. Mike—wow—Jendrzejczyk. I thought my name was bad, Washington Director of the Asia Watch; and also Miriam Marshall Segal, MMA International Group.

Please, could you pronounce your name for the record and for me?

Mr. JENDRZEJCZYK. Jendrzejczyk. The first name is Mike. It is a little easier to pronounce.

Mr. FALEOMAVAEGA. Jendrzejczyk.

All right, thank you very much.

Mr. ROHRABACHER. Just call me Dana, Mike.

Mr. FALEOMAVAEGA. You can call me Eni, like anything.

Mike, could you proceed and then we will hear from Ms. Segal.

STATEMENT OF MIKE JENDRZEJCZYK, WASHINGTON DIRECTOR, ASIA WATCH

Mr. JENDRZEJCZYK. Thank you.

We are honored to present testimony today on U.S. policy toward Burma and appreciate the continuing and strong concern expressed about Burma by this committee and by the Congress more generally.

Last July, President Clinton met with a delegation of Nobel Peace Prize winners on the fourth anniversary of Aung San Suu Kyi's house arrest and issued a very strong statement calling on Burma's military leaders to release her unconditionally, to release all other political prisoners, and to undertake genuine democratic reforms.

The President ordered a high-level policy review to explore what additional steps the United States might take to bring about meaningful change in Burma. As we heard this morning, though some initial decisions have been made, the review is yet to be completed.

Unfortunately, there is now a policy vacuum on Burma, precisely at the time when developments within Burma and its relations with its Asian neighbors may be reaching a critical turning point.

We are very disappointed, Mr. Chairman, that in a part of the world where U.S. leadership is urgently needed, the expectations raised by the President's statements last year have yet to be fulfilled. We do hope, however, that next month when Secretary Christopher travels to Thailand for the annual ASEAN Post Ministerial Conference, the United States will exert real leadership. Otherwise we are afraid the President's commitment will ring hollow.

I cannot resist, as you could not resist this morning, comparing this to the situation in Haiti, where again you have a military regime successfully resisting international pressure, condemnation by the United Nations, and we have the Clinton administration fumbling around, trying to come up with an effective policy.

Over the past year or more, pressure from the international community has, I believe, made an impact on the Burmese Government. While SLORC on the one hand has rejected criticism by the United States, by the United Nations and other governments, it has taken some limited steps to try to deflect and defuse this criticism.

However, these steps have fallen far short of in any way fundamentally undermining SLORC's harsh military rule or ending the pervasive pattern of human rights violations. Meanwhile, they have loosened economic controls, begun an aggressive campaign to entice foreign investment and foreign tourists, trying to break out of their international isolation without in any way loosening their grip on power.

As SLORC tries to aggressively expand its political and economic ties, especially within Asia, we believe the administration should be developing a very sophisticated and multifaceted policy to move SLORC toward compliance with the U.N.'s unanimous recommendations. And U.S. policy must, of course, take account of the shift that has taken place in recent months among some of the key countries in Asia, as well as the reality of massive Chinese aid and military support which is propping up the Rangoon government.

The results, thus far, of ASEAN's constructive engagement policy clearly have been insufficient to meet the demands of the international community. Yet Winston Lord, Assistant Secretary for East Asian Pacific Affairs, said at a briefing for Asian journalists a few weeks ago, "The United States and ASEAN had agreed to disagree on policy toward Burma."

Though the United States may have privately tried to urge to dissuade the Thais from inviting Burma to the PMC next month, apparently it refrained from exerting the kind of real pressure that would have made it very difficult, if not impossible, for Bangkok to extend that invitation.

We urge the administration, therefore, and Congress, to take the following initiatives, and I will quickly summarize five or six of our key recommendations and then ask that our complete statement be entered into the record.

First of all, at the ASEAN PMC, we believe the Secretary of State should urge ASEAN's member states to send a very clear message to SLORC, that enhanced political and economic relations can only take place if there is concrete progress in two areas.

One, Aung San Suu Kyi being unconditionally freed and being able to participate in the political process of her country; and two, SLORC indicating willingness to cooperate with a special envoy if one is so appointed by Boutros-Ghali, as Mr. Richardson referred to this morning.

For this to take place, however, the administration should now be actively involved in discussions not only with the ASEAN governments, but with the other dialogue partners, to develop a statement that can be released at the end of the ASEAN meeting.

Secondly, Japan plays a very crucial role vis-a-vis Burma. Japan should not only be asked to prepare the groundwork for the PMC discussions, but they should be asked to state explicitly that no new Official Development Assistance will be given to Burma until the U.N. recommendations have been met.

Historically, Japan has been Burma's single largest bilateral aid donor. In 1988, new bilateral assistance was suspended. However, this past March, some small-scale humanitarian assistance was given by Tokyo as a kind of trial balloon.

I was in Tokyo this past March, involved in discussions with many in the Japanese Government, and it is clear that Japan is at a critical stage now in deciding whether or not to resume ODA. And a signal from the U.S. Government at this point could make a crucial difference in that decision.

I might also add that members of the Japanese Diet, your counterparts in the Japanese Parliament, have also been outspoken about Burma.

Last month, more than 500 members of the Diet sent a letter to Boutros-Ghali and to the Japanese Prime Minister calling for Aung San Suu Kyi's unconditional release, and that statement is attached to my testimony.

I think this committee might consider sending a note, not only to the chairman of the Foreign Affairs Committee in the House of Representatives in Japan, but also to Takako Doi, the Speaker of the House, commending them for taking this action, and further-

more reinforcing the message that we believe it would not be helpful if Japan were to resume ODA at this particular time.

Thirdly, the administration should continue to discourage arms sales to Burma. But it must go beyond dealing with Portugal and South Korea and the small arms dealers and must challenge Beijing.

I was extremely disappointed that once again this morning we heard a message that the administration would not stand up and challenge the Chinese. This is not surprising in the wake of the President's decision on MFN, but nonetheless it is very disappointing.

At the PMC, Christopher probably will be meeting with the Chinese Foreign Minister. This is the time when he should be sending that message, I believe, both privately and publicly.

Both the House and Senate have gone on record in support of an U.N. arms embargo. The objection during the Bush administration was we can't face up to the possibility of a veto by the Chinese. Well, maybe that is something that should be considered. And if that is, in fact, the bottom line, the Chinese will then, I believe, expose themselves to the international community as the major supporters of the Burmese Government.

Fourthly, and this is very important, I believe, given the growing refugee crisis on Burma's various borders, the United States should express concern to the U.N. High Commissioner for Refugees in Geneva about the extremely small inadequate staff now present in the Arakan state, monitoring the repatriation and resettlement of Rohingya Moslem refugees coming back from Bangladesh.

The United States, thus far, pledged $4.75 million to this repatriation effort, and I think we should consider pledging additional funds only on the condition that the UNHCR substantially expand its presence in Burma and gain access to all areas to which refugees are returning.

In addition, once again, I think there is much more we can do vis-a-vis Bangkok. We believe we should be urging the UNHCR in Geneva to lobby the Thais to grant refugee status to thousands of Burmese refugees now stranded in Thailand, to allow unconditional access by the UNHCR to camps in the Thai Burma border area, and crucially, to assess the repatriation of minorities such as the Mon.

Some 7,000 Mon ethnic minorities have been pushed back into Burma since September, 1993, and the Mon are under now enormous pressure by the SLORC to negotiate a cease-fire agreement.

The UNHCR should be allowed to determine whether in fact this repatriation was in fact in any way voluntary.

Fifth, we believe that Assistant Secretary of State for Human Rights—and I will use his former nomenclature—John Shattuck, should consult with Australia, Japan, ASEAN and our European allies to develop a multilateral strategy to get the International Committee of Red Cross into Burmese prisons and jails.

It is encouraging that the ICRC is now apparently going to be allowed to conduct training courses for the Burmese military, but that is insufficient. And I would add here that allowing an occasional visitor from the American Congress to visit Aung San Suu Kyi does not take the place of allowing the U.N. special rapporteur

on Burma access to her, nor does it take the place to opening up Burma to other international agencies and outside organizations.

If, in fact, Burma is interested in bringing about real change, such access is crucial.

Sixth and finally, we believe the administration should take a firm and clear position opposing any new or expanded investments by private U.S. companies in Burma, while also urging other governments to limit their financial dealings, until the U.N. Human Rights Commission's recommendations have been met.

Until recently, when Thailand expanded its investments, the United States was the single largest source of investment in Burma. Some of the most lucrative and important trade deals are now being made in the oil sector, including companies in the United States, France, the UK, Japan and elsewhere. And I want to emphasize and again refer to Japan as a key example here.

These kinds of sanctions can only happen and can only make any real impact if the United States takes the lead. We have to start somewhere. And again, I believe, because we are one of the largest sources of investment, we have a responsibility to begin that process.

I would urge this committee as a step in that direction to simply ask the Commerce Department and the State Department for a list of all current U.S. investors in Burma, as well as any potential investors who may have approached the State Department, Commerce or our Embassy in Rangoon.

Finally, I would like to commend and congratulate this committee for its resolution which I hope will be marked up very quickly by the full committee and brought to the floor. I think it sends exactly the kind of message that needs to be sent, especially in advance of this crucial meeting in Thailand next month.

Thank you very much.

Mr. FALEOMAVAEGA. Thank you, Mr. Jendrzejczyk.

[The prepared statement of Mr. Jendrzejczyk appears in the appendix.]

Mr. FALEOMAVAEGA. Ms. Segal.

STATEMENT OF MIRIAM MARSHALL SEGAL, MMA INTERNATIONAL GROUP

Ms. SEGAL. Well, I seem to be a voice in the wilderness here.

Mr. FALEOMAVAEGA. That is all right. That is why we had revelations.

Ms. SEGAL. I thank you for the invitation and I have great respect for the panel for doing it, because it is very obvious, and it is well-known my stand on the situation in Myanmar.

You all know my name, I won't introduce myself. I am Chairperson of a company called Peregrine Capital Myanmar Limited, MMAI.

I would like to take a moment to tell you a little bit about myself. I am a victim of the holocaust. My father was killed in the struggle to establish the State of Israel. I was stateless for 18 years. More so than many others, I know the pain of organized repression and the value of freedom.

I have been visiting Myanmar for over 18 years, first as a tourist, and later as one engaged in business developing artifacts,

working with the artisans of Myanmar. I lived in villages in Pyghon, Mandalay and all over.

I restructured the craft that they were doing, using their talents, for things that we sold here.

I had stores in stores like Bergdorf's, Neiman's, et cetera. I had great pride in what we achieved there.

About 3 years ago, my company formed a joint venture with a Myanmar Government enterprise in the area of fisheries, which is one of your favorite subjects.

The insistent clamor of what is wrong with Myanmar drowns out the many changes and achievements of the last 3 years. Unfortunately, one outdated picture, one still shot frozen in time, seems to rivet everyone's attention. The truth is far more complex in my opinion.

Perspective is based on both information and misinformation. The extent to which rampant misinformation pollutes any reasoned discourse on Myanmar can be seen from a recent news item which appeared in The Boston Globe on May 5, 1994. This is an area I know very well. It was reported that Myanmar's military rulers raffled off rights to fish its waters for raising hard currency to finance the cost of purchasing Chinese weapons.

Since I have been so intimately involved in the fishing industry in Myanmar, I can only describe this news item as undiluted nonsense. The truth is that for over 3 years, a courageous minister, intent on developing Myanmar's fisheries resources, with due regard to conservation and orderly development of Myanmar's resources, threw out of Myanmar waters nearly 650 fishing vessels from other nations.

The absurdity of The Boston Globe news item may be gathered from the fact that after nearly 18 months of negotiations, with four Chinese fishing fleets, my company is on a gradual basis increasing the deployment of Chinese fishing vessels in Myanmar from 9 to about 50. We are the only foreign fishing company there. Every other company fishing there is private. And they are fishing within the baseline.

This is an area of 200,000 square miles; 200 square miles, I am sorry. If Myanmar were indeed so desperate for Chinese weapons, they could simply have invited 600 Chinese vessels to come in.

If the writer's statements were true at one time, many years ago, what relevance does this information have today? And that is what I wish to emphasize.

I wish you would put away the outdated information about Myanmar, because it is outdated. There is much which has changed in the last years. The most obviously visible change in Myanmar at least from a foreigner's perspective is the sharp increased number of tourist and business visitors now pouring into the country.

It is very difficult to get a reservation in a round, and it is former Prime Minister U Nu's, whose daughter and her husband, vocal critics of the regime, recently visited Myanmar.

Omar Farouk, a former journalist from Myanmar who now resides in Australia, recently wrote as follows: "Irreversible changes are taking place in Burma, after the Young Turks have taken over.

Karl Marx is out, Gautam Buddha is in. The revolution of the mind has begun."

There is now a concerted diversion of the economy from military and defense goals to one where civilian needs assume priority. Three statutes, foreign investment law enacted in 1988, the state-owned economic enterprises law enacted in 1989, and the private industrial enterprises law enacted in 1990, have resulted in a flood of private entrepreneurial activity.

In the area of fisheries, privatization is almost total. It may take longer in other areas, but the eventual goal is clear. In sharp contrast, both the democratic constitution of 1947 and the socialist constitution of 1974 called for the nationalization of all the capitalist enterprises.

United Nations observers have documented the huge quantities of narcotic drugs seized and destroyed. I don't think anyone today here has mentioned Khun Sa. He is a great seller of narcotics. Narcotics are going through Thailand.

A newly created works committee for the development of border areas has commenced a series of programs to offer alternatives to cultivating the opium poppy, and large budgetary allocations are being made for this purpose.

This isn't information that is fed to me. I took a great deal of trouble to come here before you today fully informed, and I had my staff working there, taken off their usual jobs.

Columbia and many other countries in Latin America and Asia have received millions to fight the drug trade. Myanmar has not received a penny. Those drugs come straight to our children, and I have a son who is 21. He is not a drug addict, but I see many of his friends who have great problems.

Myanmar has not received a penny, but yet it continues to sacrifice its human and material resources to put a halt to a scourge which eventually finds its way into our streets.

I was there recently. I saw a plane load of soldiers, coming off, their legs shot off, their arms shot off, all in the battle in drug eradication. My recitation of the positive changes in Myanmar cannot but lead to the inevitable question, when will democracy return?

Any answer to that question must be based upon the simple premise that in virtually every country, a written constitution is a prerequisite to a functioning economy, a functioning democracy.

The dilemma between preserving national unity or advancing the cause of liberty is not new. Abraham Lincoln faced the same situation in 1862, when the editor of The New York Tribune accused him of not enforcing certain antislavery measures.

Lincoln replied, "My paramount objective in this struggle is to save the Union, and is not either to save or destroy slavery."

Our history also tells us that Lincoln, more than anyone, was responsible for abolishing slavery. But Lincoln also was unwavering in establishing his priority, national unity. Can we really blame the leadership in Myanmar for doing the same?

The price we paid for preserving the Union pales in comparison with anything that has happened in Myanmar; 360,000 dead in the Union Army and 288,000 on the Confederate side, not to mention the wounded.

You must remember that the new group of leaders in Myanmar are not the creators of the present situation, but rather its inheritors. As soon as conditions settled, they called a constitutional convention. Other countries have done likewise, when they set about to draft a constitution.

Throughout history, nation building has been a difficult process. Our own history bears testimony to this fact. It was only after numerous wars and countless situations where violent abuses of human rights occurred that a reasonably stable and democratic society finally emerged in America.

Virtually every other European and Asian nation went through the same process. The settlement of borders, the acceptance of central authority, the integration of separatist forces, all these are time-consuming tasks.

To its credit, the present leadership has in just the last 5 years made peace with no less than 11 dissident groups. We shouldn't ridicule or question that. It is a achievement to make peace with anyone.

In a country such as Myanmar, with numerous languages, cultures, religions and regional loyalties, democracy without proper preparation becomes a prescription for chaos and anarchy, rather than liberty and progress.

Democracy is not an export commodity. Rather, it should take root as an indigenous plant, resplendent in its native hues. We must reexamine our policy in Myanmar, especially in view of the fact that we have made practical and sensible policy decisions where some other countries are concerned.

For example, neither Saudia Arabia nor Kuwait has had free election in decades. The human records of both have been appalling. Yet when is the last time any of the champions of democracy have clamored for free elections in Saudi Arabia or Kuwait?

Both Saudia Arabia and Kuwait are amongst our largest trading partners and American investments are poured into these countries. Indonesia was for nearly two decades a country with problems and a form of government very much like Myanmar. But American trade and investment in Indonesia did not suffer.

The savage butchery of thousands of dissidents in so many Latin American countries have been amply documented, but we have not ceased to do business with these countries, or attempted to impose sanctions on them.

Sanctions are enforced isolation which do little to speed a country like Myanmar along the path to democracy. Rather, we should take active steps to increase the flow of books and magazines, professors and businessmen, tourists and observers.

We should do all we can to reinforce every evolutionary step toward democracy and constantly press for change. Most importantly, we should without any further delay send an ambassador to Myanmar. If we are serious about it, how can we convey a message without having a messenger? Only an ambassador can work at the level required.

Trade and investment delegations in the last 3 months from Japan, from China, Singapore, Indonesia, Thailand, Australia, and Korea, as well as several businessmen from European countries, are eagerly seeking business opportunities in Myanmar.

Once again, these contacts will make money while we preach. Their Ambassadors speak publicly about human rights and privately go about the business of helping to negotiate contracts. We are the losers in terms of influence, exports and American jobs. Instead of our present policy, we should extend to Myanmar the same patience and understanding we have shown to so many other countries.

The history of one party rule in human rights records of China and Myanmar are not very different. But China is a stronger country, and we have more trade and investment there. Is it the American way to prescribe one set of values and policies for strong and another one for the weak?

In conclusion, I submit that in the matrix of history as it stands in 1994, the battle for liberal democracy has been fought and won. It would be particularly apt to quote from Francis Fukuyama's book, The End of History and the Last Man, in which he states, "to cite the failure of liberal democracy in any given country or even in an entire region of the world as evidence of democracy's overall weakness, reveals a striking narrowness of view. Cycles and discontinuities in themselves are not incompatible with history that is directional and universal, just as the existence of business cycles does not negate the possibility of long-term growth."

There is much wisdom in Fukuyama's observation. If we choose to believe it, constructive dialogue rather than coercion or sanctions should be our policy in Myanmar. Unless, of course, we are determined to forget the lessons of our recent history.

Thank you.

Mr. FALEOMAVAEGA. Thank you very much.

[The prepared statement of Ms. Segal appears in the appendix.]

Mr. FALEOMAVAEGA. The gentleman from California.

Mr. ROHRABACHER. Ms. Segal, I want to commend you for your courage to come forward after all of this testimony indicating that you are dealing with a Hitler like regime, and it——

Ms. SEGAL. I was part of—I was part of Hitler's regime.

Mr. ROHRABACHER. Yes, I understand. That is no excuse for you to deal with one today.

Ms. SEGAL. I disagree with you on that totally.

Mr. ROHRABACHER. Maybe I could ask you that. When you were victimized by Hitler's regime, how would you have felt about people asking for constructive engagement with Adolph Hitler?

Ms. SEGAL. Well, I don't see a Hitler-like regime in Myanmar at all. We employ 300 people, approximately, in our processing plant. We brought American technicians over there and taught them how to do it, taught the Burmese.

These 300 families that we touch, I guess must be 1,000 people. They are on incentive programs. No one tells me who to employ, who not to employ. They pay taxes——

Mr. ROHRABACHER. I don't suppose this could happen under a Nazi regime, I don't suppose American companies who had investment in Nazi Germany.

Ms. SEGAL. Well, I don't think a Jew would have been able to. I am Jewish. They know I am Jewish.

Mr. ROHRABACHER. I don't know what that has anything to do with Myanmar.

Ms. SEGAL. I think it has a lot to do with it. The Burmese regime as far as investments go, I went into a joint venture with them. I brought in Americans to teach them how to do things. They could have said use our people. They didn't.

We have upgraded the whole of the shrimp processing area, and now it is private.

Mr. ROHRABACHER. If you will excuse me for my analysis, but I believe that what you are saying is a total non sequitur to the point that we are trying to discuss.

Let me ask you a little bit about your business dealings. You are saying here you had some dealings with artifacts earlier on before you went into the fish business?

Ms. SEGAL. Yes.

Mr. ROHRABACHER. Did you sell artifacts that——

Ms. SEGAL. No, I didn't. What I actually do, I guess you would term me a designer. A designer is a big word, because we get our ideas from museums, we get ideas from villages, we get ideas from tribes.

I started working in Cambodia and when Cambodia was bombed I went to find—to try to find some way to replace what I was doing in Cambodia, which was a series of silver animals which the ladies in this room will be aware of, became a big rage as handbags. I created those things.

I went into various countries and villages and worked with craftsmen to teach them the finishing touches, while not replacing what they did, just sophisticating it to make it a product that we could use.

Mr. ROHRABACHER. I see. So it wasn't dealing with ancient artifacts or anything such as that?

Ms. SEGAL. Not at all.

Mr. ROHRABACHER. So you have never been involved with that trade. You are involved now with the fishing business in Burma. And what—is this a profitable venture for you?

Ms. SEGAL. It hasn't been until this year. And I have been doing it for 3 years. But it is beginning to be, yes.

Mr. ROHRABACHER. OK. So this year it has become a profitable venture, and you hope to make some money on your investment in Burma in terms of the fishing business?

Ms. SEGAL. Oh, I certainly do. But also one of the great things about what we do is that we are putting a lot of money back into the country. All our employees are in profit sharing. We do—in all of our dealings, and we are not just in fishing, we are going into various areas, Peregrine is an investment banking house.

We are looking to invest in the private sector. We are looking at all sorts of opportunities that exist there. Certainly to make money. We are encouraging—all our employees are Burmese. Our executives are Burmese, all except for one.

Mr. ROHRABACHER. All right.

When you mentioned in a positive way the fact that 650 fishing vessels have been thrown out of Burmese waters, were any of these fishing vessels that were thrown out of Burmese waters competitors of yours?

Ms. SEGAL. No. There were——

Mr. ROHRABACHER. They were fishing there without license, right?

Ms. SEGAL. I believe so. That is exactly what they were doing. They were poaching. But someone had the courage to say no more poachers. And this was their next door neighbor and other neighbors.

Mr. ROHRABACHER. Right. And of course, you have a license and they don't, so they are poachers.

Ms. SEGAL. You know, we go back to 1990, when I applied for my license. And it went before the foreign investment commission. And there were companies like Dayru bidding against me.

There were many other companies. At that stage I would like to point out that I knew no one in government at all. I went in there as an American citizen and at that time I had an advisor, a young man who said to me, "Miriam, there is great possibility in the fishing area because the world needs seafood."

The world needs—it is a commodity.

Mr. ROHRABACHER. So you were able to—it has major companies that were in competition, you were able to get the permit in order to fish, but the other 650 that were thrown out didn't have their license, and other companies weren't, so there is a big favor that was done to you by granting you a license that you hope will be very profitable to you personally?

Ms. SEGAL. I don't know what you mean by "favor." I tried to stress the point that when I went in there I knew no one, no one in the leadership at all. The country itself wanted very much to work with American firms. The fact that they awarded the licenses to someone like me, who is much smaller than Dayru or any other company that was doing it, was their eagerness to work with the United States, to broaden the horizons, not to be dependent just on their Asian neighbors.

I was not granted a favor. The reason I was granted the license is because I gave them the best deal. They are my partners, down the middle.

Mr. ROHRABACHER. So you are partners with the people who granted you the license and are chasing your competition out of the waters?

Ms. SEGAL. No one chased my competition out of the waters. The only person that was chased out of the waters are people that didn't pay for their licenses.

Mr. ROHRABACHER. Yes, or were granted their licenses.

Mr. FALEOMAVAEGA. We do the same thing here in the United States; we chase poachers out of our waters, too.

Ms. SEGAL. And I think we have the right to do that.

Mr. ROHRABACHER. Yes, I do, and in a democratic society when you have people who are responsive to the will of the people because they have to go before the electorate, there is nothing wrong with that. When you are dealing with a group of gangsters who put their opposition in jail, it is a little bit different situation at that point.

You cited among the great accomplishments in recent years that we should—your number one—the number one issue that you brought up in terms of how we should recognize great changes had taken place is that there has been increased tourism in Burma.

Ms. SEGAL. Correct.

Mr. ROHRABACHER. Do you really believe that that should be something that should be highlighted when you are sitting next to someone who is talking about continued repression that is going on and that you have heard testimony today from people who make it their job to try to find out where human rights abuses are going on and have catalogued the regime that you are now saying has had great progress as being one of the worst human rights abusers in the world?

Ms. SEGAL. Well, I think it is important because every tourist that goes in there is at liberty to see what is going on. So if it is so horrible, they are going to take that message out, that it is so horrible.

Mr. ROHRABACHER. You said that you were a victim of the Holocaust?

Ms. SEGAL. Yes.

Mr. ROHRABACHER. Some tourist that went into Germany in the middle of the most repressive time period before World War II, when Jews were being thrown into concentration camps, were not permitted on the streets, would they have seen great evidence, a tourist going through Germany, of repression, or would they have seen order in the streets?

Ms. SEGAL. Well, you know, it is a painful subject. But we in the United States certainly knew that those gas chambers were going, and we didn't do very much.

Mr. ROHRABACHER. And we had some people who wanted to do business with Hitler at that time as well.

Ms. SEGAL. We didn't do anything about it. I think you are comparing apples to bananas.

Mr. ROHRABACHER. Mike, are we comparing apples to bananas?

Mr. JENDRZEJCZYK. Well, I just want to comment on the tourism question.

Mr. FALEOMAVAEGA. My friend has 2 minutes and 30 seconds more for his questions before I ask some questions.

Mr. JENDRZEJCZYK. Very well. General Khin Nyunt just announced a few weeks ago a "Visit Myanmar Campaign" for 1996 to try to dramatically increase the number of tourists.

Let's face it, this is part of two things: one, SLORC's charm offensive, to try to present a better face to the outside world; secondly and more importantly, it is an attempt to get desperately needed foreign currency.

I think we have to be realistic at the same time about describing what it is tourism will do in terms of changing situation on the ground. Anyone who has been there recently will tell you, yes, you can go to certain areas, and, yes, you can travel around and look at some things. But there are, of course, enormous restrictions and an overall atmosphere of fear and intimidation that makes it impossible to go to areas, especially where there are ethnic conflicts going on, and of course, it is impossible to talk freely with any Burmese citizen about the political situation in their country without the fear of risking them being thrown in jail after you leave the country.

Mr. ROHRABACHER. It is one of the ironies of the modern age that those countries that appear to be most stable and appear to have

no problems are the ones who have the worst human rights abuses and the worst problems. The Adolf Hitlers of the world and the Joe Stalins of the world very rarely will have a demonstration in the streets against their regime. And, madam, I don't know why you totally—maybe perhaps you are focused on the profit you hope to obtain from your fishing deals, but I have no idea of why you have ignored all of the reports of organizations like Mike and others who are stating that there are—that this is one of the regimes that—it is a monstrous regime.

Ms. SEGAL. Perhaps I can best answer that question by saying the following.

I believe that human rights and trade really benefit each other. I think that every family we touch and whose lot we better becomes a potential democrat.

Mr. ROHRABACHER. You don't believe that the employees that you are hiring, even before you hire them, believe in democracy, and that their aspirations are being stopped by this clique that you have given the tremendous benefit of the doubt by saying their real motives aren't to be in league with the drug lords, their real motives aren't to stuff money in their pockets and put it in overseas banks, but their real motives are to prevent Burma from fighting one another because you have different ethnic groups?

Ms. SEGAL. You know, the great thing about this country, and I am very honored and proud to be a citizen of this country, is that we all have the right to believe and think and say what we want to say.

Mr. ROHRABACHER. That is correct.

Ms. SEGAL. And my belief is that the present leadership is determined to make this country work for its people in an orderly fashion.

It is also my belief that democracy will come. It is my belief that it will probably be a coalition government—I am not sure—and it is my belief that it will not take a long time to come. I have the right to my belief; you have the right to yours.

Mr. ROHRABACHER. Of course you do, ma'am, and I respect your right to express it. I fervently disagree with it, and I honestly——

Ms. SEGAL. And I with yours.

Mr. ROHRABACHER. And I honestly believe that your perceptions are probably being clouded by the fact that you do business and are engaged in a profit-making enterprise with the people that you are judging.

Mr. FALEOMAVAEGA. The gentleman's time——

Ms. SEGAL. For 4 years, I have been not making money there; it has cost me money there.

Mr. FALEOMAVAEGA. All right. The gentleman's time is finished. I would like to say, to preface my remarks and a couple of questions that I will raise later, this is what makes America such a great democracy.

Ms. SEGAL. Absolutely.

Mr. FALEOMAVAEGA. We are all entitled to our opinions, differences of opinions, and that even the most honest disagree on the issues. And I think this is one reason why the Chairman has purposely sought and was able to have you, Ms. Segal, to come and testify.

Ms. SEGAL. It was courageous of him, too.

Mr. FALEOMAVAEGA. And to provide another perspective in terms of the problems affecting the people in the country, the Government of Burma. And it is quite obvious that your views are very much contrary, different from what has been said from the very beginning with those representing the administration and also Mike representing Asia Watch.

I—you are suggesting here, Ms. Segal, that more people should go to Burma and see for themselves——

Ms. SEGAL. Yes.

Mr. FALEOMAVAEGA [continuing]. what the country is really like?

Ms. SEGAL. Yes. I think the only way we have of knowing is to see and touch and feel. The rest is hearsay.

You know, I did not come forth for Burma up until 18 months ago. I am very busy. For me to come to Washington and go through these hassles, I really don't need it. But this change, we have to encourage that change.

You know, there is a ray of hope there now. There was no hope before.

Mr. FALEOMAVAEGA. You had given indications earlier that after this election that was taking place in 1988 that the election really was to elect delegates to establish a convention for a constitution, and rather for a government. Is this your understanding?

Ms. SEGAL. That is my belief. That is the information I received there from the civilian sector, from all sectors. That is my understanding of the situation.

I don't know how you can have a government without having a constitution. Some people say there was one, some people say there wasn't one. But at least today there is an attempt being made to write one. It may take 6 months, it may take a year, but there is an attempt made to write one.

Mr. FALEOMAVAEGA. Mike, would you care to respond to that?

Mr. JENDRZEJCZYK. Yes, very briefly. I would like to correct the record on a number of points. One, the election I believe you just misstated——

Mr. FALEOMAVAEGA. I didn't misstate it, I am just trying to reiterate what she said.

Mr. JENDRZEJCZYK. The election took place in May, 1990. Those MPs and the elected members of parliament who were brought—who had the possibility of being elected in that election have been unable to take office. There are at least 35 MPs in prison, many others have been exiled, some have died in jail.

There was an election, the results of this election were generally considered to be fair, surprisingly, but the government has made no attempt to implement the results of that election, despite numerous pleas by the United Nations.

The Japanese trade delegation that Ms. Segal just mentioned was in Burma a few weeks ago, met with the top leadership in the government and said, can you tell us when this constitutional process will end, when there will be new elections? They were told nothing.

The U.N. rapporteur on Burma who visited last November asked the same questions, and his conclusion and the report he filed in Geneva this past March is that nothing going on now, including the

national convention writing this constitution, consists of or in any way meets the requirements of the United Nations for a democratic, elected process that will bring a civilian government into power. All it is aimed at doing is delaying the process of SLORC relinquishing power, maintaining its rule, bringing in more foreign investment.

And hopefully—I believe they would like to see World Bank loans resumed to rebuild their infrastructure, and Asian Development Bank loans resumed. At that point, it might be conceivable they would allow Aung San Suu Kyi to be released, at which time she would be unable to take any kind of role in any new government. And, in fact, the new constitution being written thus far, from what we know about it, seems to contain clauses aimed specifically at preventing her from ever taking office.

So the bottom line is, the process under way now is nothing more than a sham; and to dress it up or present anything contrary to that, I think cannot be supported by the facts.

I would also ask Ms. Segal that if she believes that foreign trade and investment can bring about greater openness, I would hope that she would use her influence with the Burmese Government to allow the International Committee of the Red Cross to visit prisoners, to get U.N. agencies into areas where they now cannot go, to allow independent human rights organizations to conduct independent monitoring in Burma, to allow foreign journalists to go anywhere, report on what they see.

If, in fact, foreign investment can bring about that result, I would like to see her use whatever influence and leverage she has toward that end.

Thus far, we don't see this. We don't see the results. We see a government that is becoming more entrenched rather than less entrenched, and more confident that it can withstand international pressure over the long term.

Mr. FALEOMAVAEGA. Ms. Segal, to your knowledge, how many American companies do business in Burma right now, to your best understanding?

Ms. SEGAL. I am really not certain. The main—you have the oil companies, of course, and there are some——

Mr. FALEOMAVAEGA. Is it primarily textiles manufacturing?

Ms. SEGAL. It is beginning, yes, in spite of—I would like to bring up an interesting point here.

As probably most people in this room know, the Wall Street Journal did an article on Myanmar, which I was a part of. I received approximately 400 letters which were positive, as far as doing business there. Some wanted to raise goldfish and others were very valid and things we could work with. Of those 400 letters, 3 were negative, only 3; now that is American business opinion.

We, the United States, are missing out because the genie is out of the lamp. Every other nation is in there. Japan, very strongly, is going in for trade; they are signing contracts. India, China, of course, which is a given, but I believe that India and China are—India and Japan are competing for China—with China, for Burma.

Burma is very strategically placed. You have the Singaporeans in full force, Indonesia in full force, Malaysia in full force; and where

it relates more to us, Australia and other European countries. They are signing contracts for technology that our people are out of work with.

We have the best technology in the world. Why can't we sell it there?

Mr. JENDRZEJCZYK. Mr. Chairman, I would like to respond briefly to just two points. One is, it is interesting you mention Australia, Ms. Segal, because a few years ago during the Bush administration, the Australian Government was precisely interested in developing support for trade sanctions and other economic sanctions, but could not find adequate support here in Washington, and therefore abandoned the idea.

And I raise this as a way of underlining the point that I believe that the United States should begin to move in this direction—first, by example, by prohibiting new investment in Burma; secondly, by urging our key allies, beginning with the Japanese who are at a critical point—I don't think most Japanese companies are going to get back into Burma in a serious way, unless Official Development Assistance is restored. That is just the way the Japanese system works. So we have real leverage there.

Beginning there, beginning from that point, I think we can build a broader multilateral regime.

Secondly, with regard to the influence of investment and investors in Burma, I have talked with American oil companies about their role in Burma. And when I have asked them point-blank, can you talk about human rights openly with Burmese officials, can you use your influence to urge them to bring about change, they say, of course not. There is a tacit and in some cases an explicit understanding that we are able to operate here on the grounds that we do not interfere in the internal affairs of Burma—that is the internal affairs of the Burmese Government; we are here to do business only.

So I think we have to be very realistic in evaluating the advantages versus the disadvantages over the long term of U.S. trade and investment in Burma, either in isolation or in concert with other governments.

I would also add that I am not advocating that any economic sanctions imposed by the United States be so imposed in a vacuum. They have to be part of a much broader series of initiatives, including both diplomatic and economic steps, both bilateral and multilateral. I don't believe the administration thus far has adopted yet that kind of approach. But we hope that Congress will continue to push them in this direction.

Mr. FALEOMAVAEGA. Mike, do you think we ought to do the same thing in like manner to nondemocratic countries like Saudi Arabia and Kuwait?

Mr. JENDRZEJCZYK. My organization, Human Rights Watch, has been extremely critical of the human rights records of countries like Saudi Arabia and Kuwait, and has been critical of U.S. policy toward those governments. However, inconsistency has always been unfortunately the hobgoblin of foreign policy, and it is not only the United States, I think, that that is true for. So I don't think that is in any way a justification of our sitting back and

doing nothing about Burma, especially given the political and economic leverage that we have.

Ms. SEGAL. What worries me is that we will hurt the very people we want to help by closing that door again. The door is slightly open. Don't close it, because we will lock them up again. They were locked up for nearly—so long. We, the United States, have the power to do that.

I don't think their Asian neighbors will allow it, because it is now the last place in Asia that has the potential. China is going to boom right along. I think for America, both—politically, it is important to be a part. You don't want Asia—you don't want China there taking over.

Mr. JENDRZEJCZYK. I would just add that I totally agree. I would like to see Burma broken out of its isolation, and I think if that is in fact going to happen, it will only happen with the kind of initiative now being undertaken by the U.N. Secretary General to begin a three-way dialogue between the elected democratic opposition, the current military government and the ethnic minorities. That, I think, can bring about the kind of long-term, peaceful, stable democratic Burma that the Burmese people and the whole world want to see.

If that doesn't take place, it won't be because the United States and the U.N. haven't tried. It will only be because SLORC has resisted going down that road. I sincerely hope, however, that Mr. Richardson and others, and the U.N. especially, will succeed in encouraging the Burmese Government to engage in precisely the kind of dialogue that has been referred to today repeatedly. That is the only way to break through this current impasse for the future of Burma.

Mr. FALEOMAVAEGA. I think I want to make an observation. I think in closing the hearing this afternoon that we need just as many Ms. Segals as well as Mr. Jendrzejczyk to work together in bringing about a solution to the problem we face with Burma.

With that in mind, I hereby call the—what in the world is this? The Chair has received additional written testimony for today's hearing which will be placed in the record.

[The information appears in the appendix.]

Mr. FALEOMAVAEGA. It will be open for how long? 3 weeks—one week for anyone else who may want to submit statements for the record.

The hearing is hereby adjourned.

[Whereupon, at 2:31 p.m., the subcommittee was adjourned.]

CONSIDERATION TO URGE THE GOVERNMENT OF BURMA (MYANMAR) TO RELEASE AUNG SAN SUU KYI, AND FOR OTHER PURPOSES

WEDNESDAY, JUNE 29, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
Washington, DC.

The subcommittee met, pursuant to call, at 11:11 a.m. in room 2200, Rayburn House Office Building, Hon. Gary L. Ackerman (chairman of the subcommittee) presiding.

Mr. ACKERMAN. Thank you very much. The Chair will announce with the unanimous consent of the subcommittee that following this panel we will bring up for consideration the resolution before us. Just in case somebody decides to get mad, I don't want it to be before this is brought up, and appreciate the full attendance of those who are here with us today.

Mr. GUTIERREZ. Mr. Chairman, if I may just have a parliamentary inquiry to the Chair. I have to go speak to some White House fellows at 12 o'clock. I don't know what I could possibly tell them that they don't already know, but I am going to go talk to them at 12 o'clock, and I want to make sure that the resolution can be considered today. So I counted and we have 10 members of the subcommittee and so with my presence here, it appears we have 6; is that enough to——

Mr. ACKERMAN. Your mathematical prowess is suburb.

Mr. GUTIERREZ. Can we do the quorum now so I can leave my vote with the Chair?

Mr. FALEOMAVAEGA. Mr. Chairman, I move we adopt the resolution as written.

Mr. ACKERMAN. If the witnesses will forgive the intrusion in your testimony, momentarily, and we lapse into a legislative mode with the unanimous consent of the subcommittee, the Chair will call up an unnumbered resolution by myself and the ranking minority member, Mr. Leach, to urge the Government of Burma, Myanmar, to release Aung San Suu Kyi and for other purposes.

Is there any objection to calling the resolution up at this point? The resolution is before us.

[The resolution appears in the appendix.]

Mr. MARTINEZ. Mr. Chairman.

Mr. ACKERMAN. Mr. Martinez.

Mr. MARTINEZ. I will be voting for the resolution, and I want to clarify something. There is no way that anything I said indicates that we should not always work as hard as we can to make sure that regimes that are oppressive and abusing their people are not condoned by this country. And that although I believe that through open dialogue and continued dialogue we can do a lot more than turning our backs on and just decrying the fact that this country is not what it should be as far as in relation to what it does as far as its citizens are concerned, that we still can't openly declare and denounce the atrocities they commit.

So I will vote for the resolution, but I am simply one of those people that believes that open dialogue is going to achieve a lot more.

Mr. ACKERMAN. The gentleman's remarks are certainly welcome.

Mr. Gilman.

Mr. GILMAN. Mr. Chairman, I, too, want to commend you for your resolution. We have a very critical problem affecting this part of the world—very critical problem with regard to human rights violations by Burma. And hand in hand go the problems of the narcotics coming out of that part of the world. More than one-half of the world's supply of heroin comes out of Burma. We have had no cooperation to speak of with regard to that problem as we try to find some balance between the way we treat Burma and with regard to the massive human rights violations and the massive amount of narcotics.

So I commend you for your legislation. I hope that we can eventually convince the Burmese Government, the SLORC, that it is time to do two important things. One, to adhere to the international human rights declaration, and two, to adhere to the U.N. efforts to stem the flow of this poisonous material that is affecting our own country, the illicit trafficking in drugs. Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you, Mr. Gilman. Are there any amendments to the bill, to the resolution? Anybody else wish to be heard?

Mr. GUTIERREZ. Mr. Chairman.

Mr. ACKERMAN. Mr. Gutierrez.

Mr. GUTIERREZ. Just very quickly, Mr. Chairman, I am very delighted that you and Mr. Gilman were able to prepare this resolution. I am very happy to be a part of this subcommittee and the work that is being brought forward here today. And I would just like to suggest to all of my colleagues as we discuss, and to Mr. Hubbard and Ms. Dalphino, that as we discuss human rights everywhere, that I agree that there are tyrants in many places and certainly we should be discussing Burma today, but you know we have some just offshore in Haiti, some military dictators that also supplanted a duly elected democracy there. And they are also trafficking in drugs that come directly into Florida, into our country. And so that I just hope we would be consistent.

And then I am very happy to see that there is such bipartisan support for human rights, so that we don't send our CIA into Chile, as we did in 1973, to throw out Allende, democratically elected President there, and that we don't, you know, send millions of dollars to people who kill priests and nuns in El Salvador, and we just be consistent with our outrages for human rights and democracy

throughout the world, especially in our own hemisphere. Because I got a feeling the Asians kind of look at the Americas, and say, you know, if you can't get your act together over there, don't come and bother us over here in Asia.

So we should start from a hemispheric approach of the Americas, because we are all Americans, whether we are in Central, South or North America. Thank you very much, Mr. Chairman.

Mr. ACKERMAN. Thank you, Mr. Gutierrez. Anybody else wish to be heard?

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Mr. Chairman, since the resolution has not yet been given, designated a number on the docket, I would offer a suggestion that if so inclined that all the members of the subcommittee be original cosponsors of the resolution to show a sense of unanimity of our subcommittee before the full committee when we raise this for consideration by the full committee.

Mr. ACKERMAN. Any member of the subcommittee wishing to be a cosponsor of the resolution, just notify the staff and you will be included as an original cosponsor of this resolution and that word will be given to any members who are not present at this time. Any further?

Seeing none, all those in favor of the resolution, please say, aye.

The clerk will call the roll.

The CLERK. Mr. Ackerman.

Mr. ACKERMAN. Aye.

The CLERK. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Yes.

The CLERK. Mr. Martinez.

Mr. MARTINEZ. Aye.

The CLERK. Mr. Torricelli.

[No response.]

The CLERK. Mr. Brown.

[No response.]

The CLERK. Mr. Fingerhut.

[No response.]

The CLERK. Mr. Gutierrez.

Mr. GUTIERREZ. Aye.

The CLERK. Mr. Leach.

[No response.]

The CLERK. Mr. Rohrabacker.

Mr. ROHRABACKER. Aye.

The CLERK. Mr. Royce.

[No response.]

The CLERK. Mr. Roth.

[No response.]

Mr. GILMAN. Mr. Gilman, Ex officio, aye.

Mr. ACKERMAN. Mr. Gilman, Ex officio.

The CLERK. Mr. Chairman, it is 6, 0.

Mr. ACKERMAN. Mr. Leach, call his name again, please.

The CLERK. Mr. Leach.

Mr. GILMAN. By proxy, yes.

The CLERK. Mr. Chairman, the vote is 7 aye, 0 nay.

Mr. ACKERMAN. The resolution is passed by the subcommittee with its recommendation to the full committee. And I thank all

those participating and congratulate each and every one of the committee as well as the pro democracy international movement.

[Whereupon, at 11:25 a.m., the subcommittee proceeded to other business.]

APPENDIX

OPENING STATEMENT
by
REP. GARY L. ACKERMAN
CHAIRMAN
SUBCOMMITTEE ON ASIA AND THE PACIFIC
JUNE 29, 1994

The Subcommittee on Asia and the Pacific meets this morning to review the situation in Burma, and to receive testimony concerning U.S. policy toward that unhappy country. I wish it could be otherwise. I fervently wish we did not have to be holding this hearing today.

Fifteen months ago, when the Subcommittee last conducted a hearing on Burma, some Burma watchers thought they detected tantalizing hints of change in that country. A national convention had been called, ostensibly to draft a new constitution. The Rangoon government had released some of its political prisoners, and had given family members and foreign visitors access to others still in detention. American businesses were being courted by a regime hungry for outside financing.

Alas, our hopes that these developments represented something more than mere cosmetic changes seem to have been illusory. Repression remains the lot of the Burmese people. The victors in 1990's election are still denied the opportunity to form a government based upon the freely-expressed will of the Burmese people. Aung San Suu Kyi, the embodiment of Burma's desire for democracy -- whose brave defiance of tyranny won her not only the Nobel Peace Prize, but also the admiration of literally millions of people around the world -- continues to languish under house arrest, while the Rangoon regime's hold on power appears firmer than ever.

In the meantime, the American government has undertaken a lengthy review of U.S. policy toward Burma. One of the purposes of our hearing today is to receive testimony from Administration representatives concerning the conclusions of that review. It is a sad fact that while the United States has been in the forefront of international efforts in recent years to promote democracy and human rights in Burma, we have precious little to show for our efforts. Perhaps the Administration's review will set in motion policies that will prove more successful in the future than have our past endeavors. I certainly hope so.

In considering U.S. policy toward Burma, we must also keep in mind that Burma is the world's largest producer of the heroin that poisons our citizens and eats at the vitals of our national strength. During last year's hearing, the question was asked -- but not adequately answered -- whether the Burmese government was prepared to work with us in fighting the scourge of illicit narcotics. Perhaps we will receive a more definitive answer to that key question today.

85-047 95 – 3

We are fortunate to have as our first witness this morning Congressman Bill Richardson from New Mexico. Bill of course made an historic trip to Rangoon earlier this year, where he became the first person other than a member of her immediate family to be granted access to Aung San Suu Kyi. Bill, we were thrilled as we read reports in the press of your lengthy discussions with this courageous warrior for democracy, and we are pleased to have you with us today.

Following Rep. Richardson's testimony, we will hear from Thomas Hubbard, Deputy Assistant Secretary of State in the Bureau of East Asia and Pacific Affairs. Secretary Hubbard will be joined at the witness table by Catharin Dalphino, Deputy Assistant Secretary in State's Bureau for Democracy, Human Rights, and Labor Affairs.

Our third panel of witnesses will consist of Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma, the pro-democratic Burmese government-in-exile. Dr. Sein Win was elected to the National Assembly in the 1990 elections but, like his fellow parliamentarians, was denied the chance to take his seat in the Burmese assembly. In the years since then, he has been one of the leaders in the fight to bring democracy to Burma, and we welcome him here today.

Finally, we will turn to two old Burma hands to complete our morning's investigations:

-- Miriam Marshall Segal is a New York businesswoman who has traveled extensively in Burma, and who believes that engagement offers the best chance to ease Burma along the path toward political freedom.
-- Mike Jendrzejczyk is Washington director of Human Rights Watch/Asia, formerly known as Asia Watch. Whether known as Asia Watch or by its new name, Mr. Jendrzejczyk's organization has established itself as one of the world's premier human rights groups, and we are pleased to have him to round out our witness list.

To all our witnesses, let me say that your full written statement will be printed in the record of this hearing, so please feel free to limit your opening remarks to 5-7 minutes, in order to allow ample time for questions.

Let me add one final word. At the conclusion of this hearing, the Subcommittee will mark up a resolution, offered by Mr. Leach and myself, on U.S. policy toward Burma. July 19 will mark the fifth anniversary of Aung San Suu Kyi's incarceration. Mr. Leach and I thought that it would be appropriate for the House to consider a resolution taking note of that occasion. It would be my intention to seek adoption by the full House prior to July 19.

Representative James A. Leach
Before the Subcommittee on Asia and the Pacific
U.S. Policy Toward Burma
June 29, 1994

Thank you, Mr. Chairman. I appreciate your calling this timely hearing, and also in introducing the Burma Resolution which I am pleased to co-sponsor. Let me also extend a welcome to our distinguished witnesses, particularly Congressman Richardson, who has assumed a welcome leadership role in the effort to unconditionally free Nobel Laureate Aung San Suu Kyi.

Tragically, the people of Burma appear no closer to democratic self-governance today than when this Subcommittee held our last hearing on Burma just over a year ago. Despite reportedly widespread antipathy to the odious SLORC's egregious misrule, there appears to be little prospect that their military regime will either collapse or cede power any time soon. Indeed, the SLORC has convened a hand-picked "national convention" to draft a new constitution in order to ensconce military rule and give its leaders a thin patina of legitimacy.

While limited measures have been taken by the SLORC since April 1992 to address the grave human rights concerns of the Burmese people and the international community, they have been clearly insufficient to date to demonstrate that change is real and not merely cosmetic.

From a Congressional perspective, the challenge facing Washington in advancing our democratic, humanitarian and counter-narcotics objectives in Burma is to maximize our limited leverage to promote progressive change. Herein lies a policy dilemma.

The instinct of many in the Burmese opposition and the U.S. is to heighten the isolation of the Burmese regime, acting multilaterally if possible but imposing unilateral economic pressure if necessary. The strong instinct of the parties with the greatest influence on Burma -- ASEAN, China and Japan -- has been to downplay public criticism of the regime while to some degree privately encouraging Rangoon to moderate its behavior and open up to the outside world.

In this regard, I gather that the Administration has had some difficulty in squaring the difference between these two starkly contrasting approaches. Actually, that might be a charitable interpretation. President Clinton announced a policy review last May. Some ten months later, in March 1994, the review was only nominally finished because most hard issues were deferred for further review. Whether that review has at last been completed, and whether any new U.S. policy departures have been authoritatively conveyed to senior leaders in Rangoon remains unclear at least to this Member.

Meanwhile the U.S. is bereft of Ambassadorial leadership in Rangoon, experienced working level Burma hands within the Department will soon be moving on to other posts, and more senior policymakers within the East Asia Bureau appear preoccupied with other and perhaps more vital foreign policy issues. Frankly, it has been difficult to identify any senior policymaker with clear authority for formulating U.S. policy.

Given recent internal developments in Burma as well as the deepening of its diplomatic and commercial relations with important actors in East Asia, it is fair to question whether U.S. policy -- or at any rate the policy review -- is being outstripped by events.

I would only reiterate my long held view that at the present time the U.S. should creatively explore indirect means to influence Burma, such as through various UN agencies and non-governmental organizations, and to make more concerted efforts to coordinate with our friends in ASEAN and Japan on a broad approach to promoting more humane governance in Rangoon.

In addition, we should continue to use appropriate UN fora to call attention to and seek redress of the ongoing serious human rights situation in Burma, most poignantly symbolized by the arrest or detention of nonviolent political leaders such as Aung San Suu Kyi.

Although there may be some individual differences of approach to dealing with Burma, the Congress is certainly unanimous in its support for restoring democratic governance, in demanding respect for human rights and fundamental freedoms, and in ending the trafficking of illicit narcotics. I look forward to continuing to work with the Chairman and the Administration in advancing these concerns.

TESTIMONY BY

THOMAS C. HUBBARD

DEPUTY ASSISTANT SECRETARY

BUREAU OF EAST AND PACIFIC AFFAIRS

U.S. DEPARTMENT OF STATE

BEFORE THE SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS

HOUSE FOREIGN AFFAIRS COMMITTEE

JUNE 29, 1994

MR. CHAIRMAN, I AM PLEASED TO JOIN YOU TODAY TO DISCUSS OUR OBJECTIVES AND POLICY VISION IN BURMA.

OUR PRIMARY OBJECTIVE IN BURMA, MR. CHAIRMAN, IS AN END TO THE CURRENT REGIME'S PERVASIVE HUMAN RIGHTS ABUSES AND THE ESTABLISHMENT OF A DEMOCRATIC, REPRESENTATIVE GOVERNMENT REFLECTING THE WILL OF THE BURMESE PEOPLE. IN VIEW OF BURMA'S ROLE AS THE PREDOMINANT SUPPLIER OF HEROIN TO THE US, OUR SECOND IMPORTANT OBJECTIVE IS TO BRING AN END TO THE PRODUCTION AND EXPORT OF BURMESE OPIUM AND HEROIN. THESE OBJECTIVES ARE MUTUALLY REINFORCING.

AS YOU MAY KNOW, MR. CHAIRMAN, BURMA WAS THE SUBJECT OF A WHITE HOUSE, DEPUTIES-LEVEL MEETING EARLIER THIS YEAR. THE

MOST IMPORTANT DECISION REACHED BY THE DEPUTIES WAS ENDORSEMENT OF MORE VIGOROUS U.S. GOVERNMENT EFFORTS TO PROMOTE HUMAN RIGHTS AND DEMOCRATIZATION IN BURMA. IN THIS RESPECT, WE HAVE URGED THE REGIME IN RANGOON TO BEGIN A DIALOGUE WITH AUNG SAN SUU KYI AND TO RELEASE HER UNCONDITIONALLY. WE ARE ALSO ENCOURAGING EUROPEAN AND ASIAN GOVERNMENTS TO PRESS THE REGIME ON CRITICAL HUMAN RIGHTS ISSUES. AND WE ARE URGING MORE VIGOROUS UN ACTION ON BURMA, INCLUDING THE ESTABLISHMENT OF A UN SPECIAL ENVOY TO SEEK HUMAN RIGHTS IMPROVEMENTS AND IMPLEMENTATION OF THE RESULTS OF THE 1990 ELECTIONS.

IN ADDITION TO THESE AND OTHER DIPLOMATIC MEASURES, WE ARE SEEKING TO BROADEN OUR HUMANITARIAN ASSISTANCE EFFORTS DIRECTED AT DISPLACED BURMESE IN THE REGION. AID IS NOW READY TO BEGIN IMPLEMENTATION OF ITS MILLION DOLLAR EARMARK TO PROVIDE ASSISTANCE FOR DISPLACED BURMESE IN THAILAND OR BURMA. THIS WILL FOCUS ON HEALTH CARE ASSISTANCE IN THE THAI-BURMA BORDER AND ELSEWHERE IN THAILAND.

THROUGHOUT THIS PROCESS, WE HAVE GREATLY VALUED THE CONTRIBUTIONS OF FOREIGN AFFAIRS COMMITTEE STAFF AND WE LOOK FORWARD TO CONTINUED COOPERATION WITH YOU ON THIS IMPORTANT ISSUE.

THREE KEY EVENTS IN RECENT BURMESE POLITICAL HISTORY INFLUENCE U.S. POLICY TOWARDS BURMA: THE VIOLENT SUPPRESSION

OF THE BURMESE DEMOCRACY MOVEMENT IN 1988 BY THE STATE LAW AND ORDER RESTORATION COUNCIL, COMMONLY REFERRED TO AS THE SLORC, THE HOUSE ARREST IN JULY 1989 OF BURMESE DEMOCRATIC ACTIVIST AND NOBEL PEACE PRIZE LAUREATE AUNG SAN SUU KYI, AND THE REFUSAL OF THE SLORC TO RECOGNIZE THE RESULTS OF THE 1990 PARLIAMENTARY ELECTIONS IN WHICH AUNG SAN SUU KYI'S PARTY, THE NATIONAL LEAGUE FOR DEMOCRACY, WON AN OVERWHELMING MAJORITY.

BURMA REMAINS ONE OF THE WORLD'S WORST VIOLATORS OF HUMAN RIGHTS. THE SLORC MILITARY JUNTA MAINTAINS ITS GRIP BY SUPPRESSING POLITICAL FREEDOMS, RIGOROUSLY CONTROLLING THE PRESS AND HARASSING AND IMPRISONING DEMOCRATIC LEADERS. AUNG SAN SUU KYI AND OTHER LEADING POLITICAL PRISONERS REMAIN UNDER DETENTION. THE BURMESE PEOPLE'S BASIC POLITICAL AND CIVIL LIBERTIES ARE EITHER NON-EXISTENT OR SHARPLY CURTAILED. THE BURMESE ARMY CONTINUES TO EMPLOY FORCED LABOR UNDER INHUMANE CONDITIONS IN ITS CAMPAIGNS AGAINST ETHNIC MINORITIES. OVER 70,000 REFUGEES REMAIN IN CAMPS ON THE THAI-BURMA BORDER, AND NEARLY 200,000 ROHINGYA MOSLEMS WHO FLED ARAKAN STATE ARE STILL IN BANGLADESH. MEANWHILE, THE BURMESE MILITARY CONTINUES ITS UNPRECEDENTED EXPANSION AND HAS NEARLY DOUBLED THE NUMBER OF ITS COMBAT UNITS IN RECENT YEARS.

THE SLORC REGIME HAS CONSOLIDATED CONTROL OVER THE COUNTRY AND IS IN A CONFIDENT FRAME OF MIND. THE ECONOMY, ALTHOUGH TROUBLED BY PERSISTENT INFLATION, IS GROWING AND ATTRACTING NEW

FOREIGN INVESTMENT AND INCREASED NUMBERS OF TOURISTS. THE SLORC HAS EFFECTIVELY SILENCED THE DEMOCRATIC OPPOSITION AND IS SUCCESSFULLY NEGOTIATING SEPARATE CEASE-FIRE ACCORDS WITH MANY OF THE ETHNIC INSURGENT GROUPS, SOME OF WHICH HAVE BEEN IN ALMOST CONTINUAL REVOLT AGAINST THE BURMESE CENTRAL GOVERNMENT SINCE THE END OF THE SECOND WORLD WAR. THE SLORC SHOWS NO INTENTION OF IMPLEMENTING THE RESULTS OF THE 1990 ELECTIONS.

MOTIVATED IN PART BY A DESIRE TO REGAIN SOME INTERNATIONAL STATURE, THE SLORC HAS TAKEN SOME STEPS IN THE PAST TWO YEARS TO EASE THE HARSHNESS OF MARTIAL LAW. MEASURES INCLUDE THE REPORTED RELEASE OF OVER 2000 POLITICAL PRISONERS, THE LIFTING OF A NATION-WIDE CURFEW, THE RE-OPENING OF THE UNIVERSITIES, AND THE SIGNING OF AN MOU WITH UNHCR WHICH PROVIDES FOR THEIR OFFICIAL PRESENCE IN BURMA TO ENSURE THAT THE ROHINGYA MUSLIM REFUGEES REMAINING IN BANGLADESH ARE REPATRIATED VOLUNTARILY IN SAFETY AND DIGNITY.

THE SLORC HAS ALSO PERMITTED AUNG SAN SUU KYI FAMILY VISITS, AND ALLOWED CONGRESSMAN BILL RICHARDSON TO MEET WITH HER IN FEBRUARY. HOWEVER, THERE HAS BEEN NO FUNDAMENTAL CHANGE IN THE GOVERNMENT'S REPRESSIVE RULE, AND THERE HAS BEEN NO MOVEMENT TOWARDS A DIALOGUE BETWEEN THE SLORC AND AUNG SAN SUU KYI SINCE HER FEBRUARY MEETING WITH CONGRESSMAN RICHARDSON.

IN JANUARY 1993, THE SLORC CONVENED A HAND-PICKED NATIONAL

CONVENTION TO DRAFT GUIDELINES FOR A NEW CONSTITUTION. THE NATIONAL CONVENTION HAS AS ITS PRINCIPAL OBJECTIVE THE CONSOLIDATION AND LEGITIMIZATION OF THE MILITARY'S ROLE IN BURMA'S FUTURE POLITICAL INSTITUTIONS. SEVERAL CHAPTERS OF THE CONSTITUTION HAVE REPORTEDLY BEEN COMPLETED, BUT IT COULD BE MONTHS OR EVEN YEARS BEFORE IT IS FINISHED. THE CONSTITUTION MAY EVENTUALLY BE SUBMITTED TO A REFERENDUM, PERHAPS FOLLOWED BY REGIME-CONTROLLED ELECTIONS. MOST OBSERVERS CONTEND THAT THE SLORC WILL NOT SOON RELINQUISH ITS GRIP OR ITS VESTED INTEREST IN RETAINING POWER.

WITH ITS LEADERSHIP IN DETENTION OR EXILE, THE DEMOCRATIC OPPOSITION WITHIN BURMA IS IN VERY DIFFICULT STRAIGHTS. THE BURMESE POPULATION REMAINS INTIMIDATED BY THE REGIME AND FOCUSSED ON THE ROUTINES OF DAILY LIFE, WHILE SOME ENJOY THE NEW BUSINESS OPPORTUNITIES STEMMING FROM THE SLORC'S LIMITED ECONOMIC REFORMS. AT THE SAME TIME, POLITICALLY AWARE BURMESE REMAIN DEEPLY ALIENATED FROM THE REGIME AND RIGHTLY CYNICAL ABOUT ITS ATTEMPT TO INSTITUTE MERELY COSMETIC POLITICAL CHANGE. AS A RESULT, MANY EDUCATED BURMESE HAVE FLED THE COUNTRY.

STRAINS BETWEEN THE PRIMARILY BURMAN DEMOCRATIC OPPOSITION AND THEIR ETHNIC ALLIES, HAVE BEEN EXACERBATED BY THE SLORC'S ATTEMPTS TO REACH SEPARATE CEASE-FIRES WITH ETHNIC INSURGENTS. THAILAND, IN PURSUIT OF BETTER RELATIONS WITH BURMA AND SERVING

ITS OWN PERCEIVED NATIONAL SECURITY INTERESTS, HAS CLAMPED DOWN ON THE ACTIVITIES OF BURMESE EXILES AND IS TAKING AN INCREASING ROLE IN SLORC'S EFFORTS TO BRING THE ETHNIC GROUPS INTO CEASE-FIRE AGREEMENTS. WE HAVE ENCOURAGED THE THAI GOVERNMENT TO MAINTAIN POLICIES THAT ARE SYMPATHETIC TO THE HUMANITARIAN NEEDS OF DISPLACED BURMESE.

WHILE THE SLORC IS IN ITS STRONGEST POSITION EVER, IT REMAINS WARY OF AUNG SAN SUU KYI AND THE POTENTIAL THREAT SHE REPRESENTS TO THEIR CONTINUED RULE. IN SPITE OF NEARLY FIVE YEARS OF DETENTION, AUNG SAN SUU KYI REMAINS AS DETERMINED AS EVER TO PURSUE THE STRUGGLE FOR DEMOCRACY IN BURMA, AND STILL COMMANDS GREAT MORAL AUTHORITY. SHE HAS RENOUNCED PERSONAL POLITICAL AMBITIONS AND CATEGORICALLY REJECTS THE REGIME'S OFFER FOR HER TO LEAVE THE COUNTRY. SHE MAINTAINS THAT A GENUINE DIALOGUE WITH THE REGIME IS THE ONLY WAY TO END THE COUNTRY'S POLITICAL IMPASSE.

THE U.S. HAS REPEATEDLY URGED PUBLICLY AND PRIVATELY THAT THE BURMESE MILITARY REGIME IMMEDIATELY LIFT AUNG SAN SUU KYI'S HOUSE ARREST AND RELEASE ALL POLITICAL PRISONERS. SINCE TAKING OFFICE, PRESIDENT CLINTON HAS MADE THREE SEPARATE STATEMENTS ON BURMA MAKING CLEAR OUR SUPPORT FOR THE DEMOCRATIC STRUGGLE IN BURMA AND THE UNCONDITIONAL RELEASE OF AUNG SAN SUU KYI AND ALL OTHER REMAINING POLITICAL PRISONERS.

NOT ONLY DOES BURMA HAVE AN ABYSMAL HUMAN RIGHTS RECORD WITHIN ITS OWN BORDERS, BUT, AS THE WORLD'S LARGEST PRODUCER OF OPIUM AND HEROIN, IT HAS CONTRIBUTED TO ADDICTION AND THE SPREAD OF DRUG-RELATED CRIME EVERYWHERE. SINCE 1988, THE MILITARY REGIME HAS SHARPLY REDUCED ITS ALREADY LIMITED COUNTER-NARCOTICS PROGRAM WITH THE RESULT THAT OPIUM PRODUCTION REACHED AN ESTIMATED LEVEL OF 2,575 METRIC TONS IN 1993. THE SLORC UNDERTAKES FEW NARCOTICS RELATED LAW ENFORCEMENT MEASURES AND HAS REACHED POLITICAL ACCOMMODATIONS WITH CERTAIN ETHNIC INSURGENT GROUPS IN THE SHAN STATE PERMITTING THEM TO CONTINUE OPIUM PRODUCTION AND TRAFFICKING IN RETURN FOR CEASING HOSTILITIES AGAINST THE CENTRAL GOVERNMENT. AT THE SAME TIME, HOWEVER, THE BURMESE ARMY IS CURRENTLY PURSUING A MILITARY CAMPAIGN DIRECTED AGAINST THE SHAN UNITED ARMY HEADED BY HEROIN WARLORD (AND INDICTED US FUGITIVE) KHUN SA.

WHILE OUR INFLUENCE ON BURMA'S CLOSED SOCIETY IS LIMITED, WE CONTINUE TO PUSH FOR DEMOCRATIC REFORM AND BASIC HUMAN RIGHTS BILATERALLY AND MULTILATERALLY. FOLLOWING THE BRUTAL SUPPRESSION OF THE DEMOCRACY MOVEMENT IN 1988, THE US SUSPENDED ALL BILATERAL ASSISTANCE PROGRAMS AND, ALONG WITH THE EU, AUSTRALIA, AND JAPAN, IMPLEMENTED A VOLUNTARY ARMS EMBARGO. WE ALSO REVOKED GSP PRIVILEGES AND SUSPENDED ELIGIBILITY FOR OVERSEAS PRIVATE INSURANCE CORPORATION (OPIC) PROGRAMS.

WE HAVE LOBBIED FOR SUCCESSIVELY STRONGER RESOLUTIONS FOR

THE PAST THREE YEARS AT THE UNGA AND FIVE AT THE UNHRC, CONDEMNING THE JUNTA FOR ITS HUMAN RIGHTS VIOLATIONS AND URGING TRANSITION TO DEMOCRATIC RULE. AS A DIRECT RESULT, THE LATEST UNGA AND UNHRC RESOLUTIONS REQUEST THE ASSISTANCE OF THE UN SECRETARY GENERAL IN ADDRESSING THE SITUATION IN BURMA. IN FACT, WE WOULD HAVE PREFERRED AN EVEN STRONGER RESOLUTION THAN THAT ADOPTED BY LAST YEARS UNGA, AND IT WAS FOR THIS REASON THAT WE CHOSE NOT TO COSPONSOR THE RESOLUTION THAT WAS ULTIMATELY ADOPTED.

MOST RECENTLY, OUR DELEGATION TO THE INTERNATIONAL LABOR ORGANIZATION CONFERENCE, HELD IN GENEVA IN JUNE 1994, WORKED VIGOROUSLY TO INCREASE INTERNATIONAL PRESSURE ON THE SLORC TO END FORCED LABOR AND PERMIT FREEDOM OF ASSOCIATION FOR WORKERS.

IN 1989, THE U.S. CEASED CERTIFYING BURMA AS A COOPERATING COUNTRY ON COUNTER-NARCOTICS EFFORTS. AS A RESULT, THE U.S. IS REQUIRED BY LAW TO VOTE AGAINST DEVELOPMENT BANK LENDING AND OTHER IFI LOANS TO BURMA, EXCEPT FOR PROJECTS WHICH MEET BASIC HUMAN NEEDS. IT SHOULD BE NOTED THAT EVEN IN THE ABSENCE OF DECERTIFICATION, THE U.S. WOULD STILL OPPOSE LOANS TO BURMA BECAUSE OF ITS MAJOR HUMAN RIGHTS VIOLATIONS.

THE UNITED STATES HAS A SIGNIFICANT INTEREST IN ENDING THE FLOW OF HEROIN FROM BURMA, THE WORLD'S LARGEST PRODUCER OF THIS NARCOTIC. WE MAINTAIN NARCOTICS COOPERATION WITH BURMA UNDER

CONSTANT REVIEW AS ONE OPTION TO AMELIORATE THE DEADLY IMPACT OF BURMESE HEROIN ON THE UNITED STATES, BUT IT IS UNLIKELY THAT THE HEROIN TRADE CAN BE CURTAILED WITHOUT FUNDAMENTAL POLITICAL CHANGE IN BURMA. THAT IS WHY THE RECENT INTER-AGENCY POLICY REVIEW CONCLUDED THAT A HIGHER LEVEL OF COOPERATION IS NOT A REASONABLE PROSPECT AT THIS TIME AND THAT THE PROMOTING OF DEMOCRACY IN BURMA IS ULTIMATELY THE BEST WAY TO ACHIEVE OUR COUNTERNARCOTICS OBJECTIVES AS WELL.

HEROIN FROM BURMA IS A THREAT NOT ONLY TO THE US BUT ALSO TO BURMA'S NEIGHBORS INCLUDING CHINA, INDIA, THAILAND AND MALAYSIA. US OFFICIALS THEREFORE ARE CONSULTING WITH THOSE GOVERNMENTS TO DEVELOP MORE EFFECTIVE APPROACHES DIRECTED AGAINST THE PRODUCTION AND TRAFFICKING OF HEROIN FROM BURMA, INCLUDING EFFORTS TO STEM THE SUPPLY OF ARMS AND ESSENTIAL CHEMICALS THAT SUSTAIN THE BURMA-BASED TRAFFICKING GROUPS SUCH AS KHUN SA'S SHAN UNITED ARMY.

WE ARE ALSO PURSUING A VARIETY OF COUNTERNARCOTICS MEASURES INCLUDING REGIONAL DIPLOMATIC INITIATIVES, SUPPORT FOR UNDCP CROP SUBSTITUTION PROJECTS AND DIALOGUE WITH THE BURMESE REGIME CALLING FOR SERIOUS AND SUSTAINED EFFORTS TO COMPLY WITH THE 1988 UN CONVENTION AGAINST ILLICIT TRAFFIC IN NARCOTIC DRUGS. WE ARE ALSO EXPLORING POSSIBILITIES FOR OTHER PROGRAMS THAT MIGHT ASSIST IMPOVERISHED FARMERS WITHOUT DIRECTLY BENEFITTING THE SLORC REGIME.

IN ORDER TO STEM THE FLOW OF ARMS TO BURMA, THE U.S. HAS MADE OVER 40 DEMARCHES TO ALMOST TWENTY COUNTRIES URGING THEM TO DESIST FROM ARMS SALES TO RANGOON. REGRETTABLY, COUNTRIES SUCH AS POLAND, PORTUGAL, SINGAPORE AND SOUTH KOREA CONTINUE TO TOLERATE THE SALE AND TRANSSHIPMENT OF MILITARY ITEMS TO BURMA. CHINA ALONE HAS SOLD AN ESTIMATED ONE BILLION DOLLARS WORTH OF ARMS TO THE SLORC SINCE 1989. WE WILL CONTINUE TO PRESS OTHER COUNTRIES TO DESIST FROM SUPPLYING THE SLORC WITH ARMS AND MILITARY EQUIPMENT.

TO BE FRANK, THE U.S. HAS FOUND IT DIFFICULT TO BUILD BROADER INTERNATIONAL SUPPORT FOR A MORE EFFECTIVE ARMS EMBARGO. OUR EFFORTS LAST YEAR TO NUDGE THE UN GENERAL ASSEMBLY TOWARDS VOLUNTARY ARMS RESTRAINTS WERE NOT SUCCESSFUL, LARGELY ON THE PROCEDURAL GROUNDS THAT THE THIRD COMMITTEE COULD ONLY ADDRESS HUMAN RIGHTS ISSUES; AMONG ASIAN NATIONS THERE WAS NO SUPPORT AT ALL FOR OUR INITIATIVE. WHILE WE WOULD EVEN SUPPORT A MANDATORY EMBARGO, OBTAINING SUCH AN EMBARGO WOULD BE A MAJOR CHALLENGE. THIS IS BECAUSE IT WOULD REQUIRE UN SECURITY COUNCIL APPROVAL FOR WHICH STRONG REGIONAL SUPPORT, INCLUDING FROM CHINA, WOULD BE ESSENTIAL. NEVERTHELESS, WE WILL CONTINUE TO EXPLORE AND ENCOURAGE SUPPORT FOR MULTILATERAL ENDORSEMENT OF SUCH AN EMBARGO.

IN THE WAKE OF CONGRESSMAN BILL RICHARDSON'S UNPRECEDENTED

FEBRUARY MEETINGS WITH AUNG SAN SUU KYI AND SLORC STRONGMAN LTG KHIN NYUNT, WE HAVE URGED THE INTERNATIONAL COMMUNITY TO ENCOURAGE THE SLORC TO BEGIN A DIALOGUE WITH HER AS THE BEST WAY TO END THE POLITICAL IMPASSE IN THE COUNTRY.

WHILE WE HAD HOPED FOR MORE IMMEDIATE SIGNS OF PROGRESS, THE SLORC HAS NOT RULED OUT THE POSSIBILITY OF HIGH LEVEL DIALOGUE WITH AUNG SAN SUU KYI. MORE POLITICAL PRISONERS, INCLUDING THE WELL-KNOWN ZARGANA, HAVE BEEN RELEASED. NEGOTIATIONS BETWEEN THE INTERNATIONAL COMMITTEE OF THE RED CROSS (ICRC) AND THE SLORC FOR ACCESS TO POLITICAL PRISONERS ARE UNDERWAY AND MAKING HEADWAY. NEVERTHELESS, THE SITUATION IN BURMA REMAINS GRIM.

THE UNITED STATES HAS NOT HAD AN AMBASSADOR IN BURMA THE LAST FOUR YEARS. FOLLOWING THE DEPARTURE OF OUR LAST AMBASSADOR IN 1990, WE ORIGINALLY SUPPORTED THE APPOINTMENT OF A NEW AMBASSADOR. GIVEN THE LENGTH OF TIME SINCE WE HAVE HAD AN AMBASSADOR IN BURMA, WE NOW BELIEVE THAT SUCH AN APPOINTMENT MUST BE EVALUATED WITH GREAT CAUTION LEST IT BE INTERPRETED BY THE SLORC AS A SIGN OF US APPROVAL. RETAINING U.S. DIPLOMATIC REPRESENTATION AT THE CHARGE LEVEL HAS ALLOWED THE UNITED STATES TO EXPRESS ITS DISPLEASURE WITH THE HUMAN RIGHTS RECORD OF THE SLORC IN READILY UNDERSTOOD DIPLOMATIC PARLANCE. IN ADDITION, GIVEN THE SLORC'S GROWING INTEREST IN INTERNATIONAL CONTACTS, WE BELIEVE THAT THE DECISION OF WHETHER AND WHEN TO

APPOINT AN AMBASSADOR TO BURMA PROVIDES US WITH A USEFUL INCENTIVE TO USE WITH THE BURMESE LEADERSHIP TO ENCOURAGE IMPROVED HUMAN RIGHTS PRACTICES.

WE HAVE NO CURRENT PLANS TO APPOINT AN AMBASSADOR TO BURMA, BUT WOULD BE PREPARED TO RECONSIDER THIS POSITION IN LIGHT OF SIGNIFICANT MOVEMENT TOWARDS RESPECT FOR HUMAN RIGHTS AND DEMOCRACY.

THE QUESTION IS OFTEN ASKED WHETHER THE US SHOULD SEEK TO LIMIT TRADE AND INVESTMENT WITH BURMA. AS YOU KNOW, DETAINED BURMESE OPPOSITION LEADER AUNG SAN SUU KYI ADVOCATES RESTRICTING FOREIGN INVESTMENT UNTIL THERE ARE SIGNIFICANT HUMAN RIGHTS IMPROVEMENTS, THE PREVAILING VIEW AMONG MOST GOVERNMENTS IN THE REGION FAVORS MORE, NOT LESS, TRADE.

WHILE WE ARE EXPLORING WHETHER MULTILATERAL OR BILATERAL SANCTIONS ARE BOTH FEASIBLE AND EFFECTIVE, THERE ARE OBSTACLES IN THIS AREA. THE ECONOMIC IMPACT OF MULTILATERAL SANCTIONS ON BURMA WOULD BE LIMITED BY SEVERAL FACTORS. FIRST, THE BURMESE ECONOMY IS AGRICULTURAL AND LARGELY SELF-SUSTAINING. IT PROVED SURPRISINGLY RESILIENT EVEN DURING THE YEARS OF SELF-IMPOSED ISOLATION UNDER LONG-TIME DICTATOR NE WIN. BURMA'S EXTENSIVE BORDERS WITH INDIA, CHINA AND THAILAND ARE POROUS AND BLACK MARKET TRADE CANNOT BE STOPPED, MAKING ENFORCEMENT OF SANCTIONS EXTREMELY DIFFICULT.

THE SLORC WANTS CLOSER POLITICAL AND ECONOMIC TIES WITH THE WEST, INCLUDING THE U.S., SO THE POLITICAL IMPACT OF WIDE-RANGING TRADE RESTRICTIONS IN BURMA MIGHT BE MORE SIGNIFICANT THAN THEIR ECONOMIC EFFECTS. IN THIS RESPECT, MULTILATERAL SANCTIONS WOULD CLEARLY BE PREFERABLE, BUT JAPAN AND ASEAN OPPOSE TRADE AND INVESTMENT EMBARGOES, AND THE EUROPEAN COUNTRIES HAVE NO ENTHUSIASM FOR THEM EITHER. SINGAPORE, JAPAN, SOUTH KOREA, AUSTRALIA, FRANCE, AND THE U.K. ARE ACTIVELY PURSUING BUSINESS INTERESTS IN BURMA, AND SINGAPORE MAY SOON RIVAL THE U.S. AS THE LARGEST INVESTOR IN BURMA.

NEVERTHELESS, WE CONTINUE TO WORK CLOSELY WITH THE INTERNATIONAL COMMUNITY TO EXPLORE WAYS TO PROMOTE POSITIVE CHANGE. AND WHILE THE U.S. AND ASEAN SHARE THE LONG-TERM GOAL OF A MORE OPEN, PROGRESSIVE AND STABLE BURMA, OUR RESPECTIVE TACTICAL APPROACHES DIFFER. FOR EXAMPLE, IN 1993 ASEAN CONDUCTED AN INTERNAL DEBATE ABOUT THE POSSIBILITY OF INCLUDING BURMA AS AN OBSERVER. AS A RESULT, THAILAND, AS THE ASEAN STANDING COMMITTEE CHAIRMAN, INVITED BURMA TO ATTEND THE OPENING CEREMONIES OF THE ASEAN ANNUAL GATHERING THIS JULY IN BANGKOK AS THE RTG'S GUEST. THE U.S. HAS REPEATEDLY STATED THAT WHILE IT IS UP TO ASEAN MEMBERS THEMSELVES TO DECIDE WHICH COUNTRIES WILL PARTICIPATE, WE BELIEVE IT IS PREMATURE, ABSENT SIGNIFICANT POLITICAL REFORM AND AN IMPROVEMENT IN THE

COUNTRY'S HUMAN RIGHTS RECORD TO EXTEND OBSERVER STATUS OR MEMBERSHIP TO THE BURMESE.

LIKE THE U.S. AND ASEAN, THE U.S. AND JAPAN SHARE SIMILAR GOALS ON HUMAN RIGHTS AND DEMOCRATIZATION BUT DISAGREE ON HOW TO ACHIEVE THEM, WITH THE U.S. PREFERRING BURMA AND JAPAN FAVORING ENGAGEMENT. DESPITE OUR DIFFERENCES IN APPROACH HOWEVER, JAPAN FROZE NEW FOREIGN ASSISTANCE TO EXPRESS DISPLEASURE FOLLOWING THE EVENTS OF 1988-89. DIPLOMATIC EXCHANGES HAVE ALSO BEEN REDUCED. JAPAN MAINTAINS ITS FREEZE ON NEW ECONOMIC ASSISTANCE, BUT WILL RENEW SMALL SCALE TECHNICAL ASSISTANCE PROJECTS.

FINALLY, CHINA'S SHIFT TOWARDS A DECENTRALIZED MARKET-ORIENTED ECONOMY HAS STIMULATED GROWING CROSS-BORDER TRADE WITH ITS NEIGHBORS, INCLUDING BURMA. A GROWING NUMBER OF CHINESE-FINANCED INFRASTRUCTURE PROJECTS UNDERSCORES CHINA'S ROLE AS THE DOMINANT ECONOMIC INFLUENCE IN BURMA. THESE GROWING COMMERCIAL TIES ARE ANOTHER REASON WHY CHINA WOULD RESIST FURTHER EFFORTS TO ISOLATE RANGOON.

DESPITE THE DIFFERENCE IN APPROACH, WE WILL CONTINUE TO STRESS MORE VIGOROUS EFFORTS TO BRING PRESSURE TO BEAR UPON THE REGIME IN RANGOON. BURMA CONTINUES TO PRESENT ONE OF THE MOST FRUSTRATING YET COMPELLING PROBLEMS IN OUR INTERNATIONAL RELATIONS. POLITICAL FREEDOM REMAINS NON-EXISTENT, AND THE

REGIME HAS YET TO SHOW A REAL WILLINGNESS TO GRAPPLE WITH NARCOTICS ISSUES.

THE SLORC CALCULATES THAT FOREIGN AID WILL FLOW IF IT IS ABLE TO QUELL THE INSURGENCIES, SHOW A NOMINAL EFFORT TO NEUTRALIZE THE DRUG LORDS, AND OPEN UP THE ECONOMY EVEN IN THE ABSENCE OF RECOGNIZING THE RESULTS OF THE 1990 ELECTIONS, RELEASING THE MOST IMPORTANT POLITICAL PRISONERS, OR ANY "REAL" IMPROVEMENT IN HUMAN RIGHTS.

NO GOVERNMENT WHICH DOES NOT EXPRESS THE POLITICAL WILL OF THE PEOPLE CAN ENDURE INDEFINITELY, AND THE VOICE OF BURMA'S DEMOCRATIC FORCES WILL BE HEARD AGAIN. OUR ATTEMPTS TO PROMOTE TRUE DEMOCRACY AND HUMAN RIGHTS WILL CONTINUE UNABATED, AS WILL OUR UNFLAGGING SUPPORT FOR AUNG SAN SUU KYI AND OTHER POLITICAL PRISONERS.

Statement by
Prime Minister Dr. Sein Win
National Coalition Government of the Union of Burma
June 29, 1994

to

THE HOUSE FOREIGN AFFAIRS COMMITTEE
Subcommittee on Asia and the Pacific

Mr. Chairman and members of the subcommittee, thank you for this opportunity to address the Committee on the issue of Burma.

My name is Sein Win. I am a mathematician by profession and entered politics in 1988 out of necessity and at the request of my first cousin and Nobel Peace laureate Aung San Suu Kyi. I am the elected representative from Paukkaung, Pegu Division. I am currently the Prime Minister of the National Coalition Government of the Union of Burma and Vice-Chairman of the National Council of Burma.

Honourable members, Burma gained independence from Britain in 1948 and for 14 years, we had a multi-party democratic system of government. General Ne Win seized power in 1962 and suppressed all forms of political dissent. He also expropriated businesses and abolished all private enterprise. His one party Burmese Way to Socialism destroyed my country until in 1987, the United Nations declared Burma to be a Least Developed Country.

As you know, in 1988, the people of Burma decisively rejected the leadership of General Ne Win, his Burmese Socialist Programme Party and 28 years of military rule. The whole nation rose up spontaneously to demand a change in government. The Burmese people called for a multi-party parliamentary democracy and the freedom to decide their own future. Sadly, their demands were not heeded. Instead, thousands were shot and killed and the military again re-exerted control as the State Law and Order Restoration Council or SLORC.

Again in the 1990 general elections, the people of Burma, including the rank and file of the military, made their choice for a leader and a government clearly known. Nobel Peace laureate Aung San Suu Kyi and her National League for Democracy won 392 parliamentary seats out of 485. In contrast, the military-backed party won 10 seats.

But once again. SLORC refused to respect the will of the Burmese people and claimed that it could not transfer power to the NLD because there was no constitution in place. The NLD caucus, therefore, sent some elected representatives to the liberated areas, to form a provisional government. I am one of those sent out and on 18 December 1990, we formed the National Coalition Government in Manerplaw on the Burma-Thai border. We were welcomed, given protection and supported by the ethnic leaders in the Democratic Alliance of Burma. Building on this working relationship, the National Council was formed in 1992 to give the ethnic leaders more of a say in their own future.

Since then, the Burmese democracy movement has been quite successful in its international lobbying. The United Nations General Assembly (UNGA) has for 3 consecutive years adopted consensus resolutions calling for the military to honour the 1990 election results. In 1993, the UNGA requested the Secretary General to assist in the implementation of the resolution and we are requesting that a special envoy for Burma be appointed. The UN Commission on Human Rights has had a Special Rapporteur investigating human rights abuses in Burma for almost 5 years.

In addition to our work at the UN, the movement is operating the Democratic Voice of Burma Radio that broadcasts daily to Burma from Norway. The radio is funded by the Governments of Norway, Sweden, Denmark and the United States of America through the National Endowment for Democracy. Political and financial support for the Burmese democracy movement to lobby internationally is provided by Norway and Canada. The Burma policy review ordered by President Clinton last year has also helped to focus world attention on Burma.

To counter our successes, the military dictatorship in Rangoon stepped up its campaign in 1993 to legitimize its rule. Domestically, SLORC convened a National Convention. Of the 699 delegates appointed to the National Convention by SLORC, only 28 are people's representatives elected in 1990. The stated purpose of the Convention is to draft a new constitution, but as we see it, the real intent is to nullify the results of the 1990 elections. The convention has been carefully staged-managed and will in the near future be adopting a new constitution which will give the military a leading role in Burma's political future.

In ethnic areas, SLORC initiated cease-fire negotiations with various groups to divide the opposition along ethnic lines. To intensify the pressure, the army stepped up its "Four Cuts Strategy" to deprive the resistance of information, food, finances and recruits. It is estimated that over 800,000 people have been uprooted in ethnic areas by this policy. Villagers are also conscripted to 'contribute voluntary labour' to development projects such as the natural gas pipeline from Burma to Thailand that is being undertaken by Unocal, Texaco, Total of France, the Petroleum Authority of Thailand and Nippon Oil. These tactics together with pressure from Thai authorities have forced ethnic leaders into impossible negotiating positions with SLORC. As part of the pressure tactics, I and my colleagues were also denied re-entry to Thailand. I am glad to report that in spite of these setbacks cooperation and coordination between the ethnic leaders and myself are better than ever although we continue to be concerned about Thailand's increased involvement in internal Burmese affairs.

Internationally, SLORC is utilizing a professional lobbyist in the US and 'friendly' business-people to argue on its behalf that a tough stand on human rights and 'isolating' SLORC is counter productive. They say that more trade with Burma will bring about democratic reforms and more respect for human rights.

Contrary to these arguments, I believe that the tough human rights position adopted by the USA and others have produced results. For example, without the suspension of aid in 1988, SLORC would not have held the 1990 general elections. In addition, it can also be claimed that the 'open door' economy that is now being exploited by Burma's neighbours and the friends of SLORC would not have come about without the aid suspension.

In my opinion, more trade and investment will only entrench SLORC, widen the gap between the urban and the rural, the haves and the have-nots and aggravate the current political crisis in Burma.

A similar effort to revitalize the economy without introducing major reforms was attempted by the military in the mid-1970s. A new constitution was adopted, a 'civilian' government came to power, the economy was 'opened' up, and foreign aid and investments were welcomed. But then as now, no fundamental changes were implemented. The economic and social pressures increased until the country exploded violently in 1988. The same symptoms are present today.

Events in the last six years have shown that SLORC is not equipped to deal with the major problems Burma is facing - political, economic or social. There is no doubt that SLORC does not have the support of the populace. In spite of the army's increased force of over 300,000 men, SLORC is a beleaguered invading army in its own country, safe only within its armed enclaves. For SLORC to continue ruling, it must be able to contain the economic crisis and hope that some minor incident does not spark a violent outburst as in 1988. The military must also be able to retain its cohesiveness after General Ne Win dies and, at the same time, SLORC must keep the ethnic groups from once again joining the democracy movement.

Therefore, in closing, I would like to recommend that the United States of America adopt a more pro-active policy to help bring about real change in Burma in a peaceful manner. The USA can work unilaterally, through ASEAN or through the United Nations to ensure that the military will agree to begin a dialogue with the democracy advocates led by Aung San Suu Kyi, and with the ethnic leaders of Burma. Honourable members, I believe that to bring about such an agreement, it is vital that a strong human rights policy be maintained or even increased. Arms embargoes and economic sanctions are some of the tools that can be utilized.

To quote South African Bishop Desmond Tutu, "Tough sanctions, not constructive engagement, finally brought the release of Nelson Mandela and the dawn of a new era in my country. This is the language that must be spoken with tyrants - for, sadly, it is the only language they understand". Thank you.

HUMAN RIGHTS WATCH/ASIA
Formerly Asia Watch

U.S. Policy Towards Burma

Statement of Human Rights Watch/Asia (formerly Asia Watch)
Mike Jendrzejczyk, Washington Director

June 29, 1994

House Foreign Affairs Committee
Subcommittee on Asia and the Pacific

We are honored to present testimony today on U.S. policy towards Burma, and appreciate the continuing attention this Committee has given to Burma, as well as the broad, bipartisan concern expressed by Congress since the State Law and Order Restoration Council (SLORC) assumed power in Rangoon in 1988.

Last July, President Clinton met with a delegation of Nobel Peace Prize winners and on the fourth anniversary of Nobel Laureate Aung San Suu Kyi's detention issued a strong statement calling on Burma's military leaders to release her unconditionally, to release "all other prisoners of conscience, and to respect the results of the 1990 elections and to undertake genuine democratic reforms."

The President ordered a high-level policy review to explore what steps the U.S. might take, acting unilaterally and on a multilateral basis, to bring about meaningful change in Burma. Indeed, some discussions and initial decisions have taken place, but the review is yet to be completed. Unfortunately, there is a policy vacuum on Burma precisely at the time when developments within Burma and in its relations with its Asian neighbors are reaching a critical turning point. We are disappointed, Mr. Chairman, that in a part of the world where U.S. leadership is urgently needed, the expectations raised by the President's statements nearly one year ago have yet to be fulfilled. We hope, however, that the U.S. will exert real leadership next month when Secretary Christopher travels to Thailand to attend the ASEAN Post-Ministerial Conference. As you know, for the first time Burma has been invited to attend the opening and closing sessions of the ASEAN Ministerial Meeting, beginning on July 20. This marks a watershed in ASEAN's relations with Burma. The President's commitment to restore democracy and human rights will ring hollow if the U.S. fails to effectively use the occasion of the ASEAN meeting to help end Burma's continuing human rights emergency.

Human Rights Developments

As the end of yet another year of Aung San Suu Kyi's house arrest approaches, this is an appropriate time to assess important developments within Burma and their impact on the human rights situation.

On December 6, 1993 the United Nations General Assembly adopted, unanimously and without a vote, a resolution recommending specific steps to restore human rights, fundamental freedoms and civilian, democratic rule. The resolution summarized the long-standing international consensus on Burma. But, as with previous such resolutions on Burma, it fell short of recommending any specific actions by member states to put teeth behind the U.N.'s

declaration. (The General Assembly did, however, call on the U.N. Secretary-General to assist with implementation of the resolution, thus opening the door to the appointment of a special envoy -- a potentially useful new initiative.)

From November 9-16, 1993, the U.N.'s Special Rapporteur on Burma, Prof. Yozo Yokota, visited Burma and had talks with government officials, met with representatives of political parties participating in SLORC's National Convention drafting a new constitution, visited the Rakhine State to monitor the repatriation of refugees from Bangladesh, and went to refugee camps in Thailand. I should note that Prof. Yokota was able to visit Insein Prison where at least 4,000 inmates are held -- including many political prisoners. He was able to meet with two political leaders, U Tin U and Dr. Aung Khin Sint. But these meetings took place in the presence of the prison warden, and Prof. Yokota was denied access to Aung San Suu Kyi. His request to see her in 1992 was also turned down.

Prof. Yokota's report was the basis for a resolution adopted by the U.N. Human Rights Commission on March 5, 1994, reiterating many of the concerns and recommendations articulated by the General Assembly. The text of that resolution is appended to my statement.

Over the past year or more, pressure from the international community has made an impact on the Burmese government. While SLORC has, on the one hand, rejected criticism by the U.N., by the U.S., and other governments, it has also taken some limited steps to try to defuse and deflect such criticism. But these steps have not fundamentally undermined SLORC's harsh military rule, or ended the pattern of grave, widespread human rights abuses. Meanwhile, SLORC has loosened economic controls, and begun an aggressive campaign to encourage foreign investment and tourism, trying to break out of its international isolation without loosening its

grip on power.[1]

Some 2,000 prisoners detained under SLORC's emergency regulations have reportedly been released since April 1992, but as their names have not been published, precise estimates are impossible. Hundreds of political prisoners remain, including students, monks, National League of Democracy (NLD) members, and at least 35 members of the parliament elected in May 1990. Many prisoners are ill and do not receive proper medical attention, such as Dr. Ma Thida, a 27-year old Burmese physician, writer and political activist arrested in August 1993 and sentenced to 20 years imprisonment for "having contact with unlawful organizations and distributing unlawful literature." She is held in solitary confinement, and, according to Physicians for Human Rights, suffers from a gastric ulcer and is very weak and thin. Though the International Committee of the Red Cross (ICRC) has reached agreement to organize training programs for the Burmese military, ICRC has no access to prisoners and is unable to provide their usual range of humanitarian services.

Severe restrictions on freedom of the press, assembly and association have created an overall climate of fear and intimidation. Despite the abolishment of military tribunals, political arrests continue, as do reports of torture and ill-treatment. Torture and other inhumane treatment is commonly inflicted on prisoners, ethnic minorities, and those subjected to forced labor and porterung.[2]

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[1] Lt. General Khin Nyunt announced on June 18, 1994 a "Visit Myanmar in 1996" campaign to counter SLORC's negative image abroad and to try to attract 600,000 tourists in 1996 compared to less than 30,000 reported in 1993. This would bring SLORC increased foreign exchange. Khin Nyunt said tourists "would witness and realize the reality and truth, and this will replace the publicity and criticism" of Burma abroad. (Reuters)

[2] See the report of Prof. Yokota, UN rapporteur, to the UN Human Rights Commission, February 16, 1994 for detailed reports of arbitrary arrests and detention, torture and inhuman treatment, and other abuses.

During military operations, entire village populations, both men and women, are forced to carry weapons, ammunition and supplies by the Burmese military under threat of beating, drowning, or rape if they refuse to cooperate. For example, during the ongoing military offensive against Khun Sa, a drug warlord in the Shan State, there were reports of raids on villages in order to seize hundreds of people to porter for government troops.

There are numerous credible reports of thousands of people conscripted to build railway lines and roads, in violation of Burma's commitment to uphold international conventions against forced labor, which it has ratified.[3]

Within Burma, it is estimated that from 100,000 - 300,000 people have been displaced, in areas where there is fighting underway between the government and ethnic minorities as people are forced to leave their villages to keep them from collaborating with the opposition. Their land is confiscated, and many of the displaced suffer from disease and starvation. Even in areas where peace treaties have been concluded, people are moved from their home villages as the government asserts control.[4]

Finally, I would like to comment briefly on the National Convention, now adjourned until September 2. No timetable for the drafting of a new constitution or transfer of power to a civilian government has been announced by SLORC, which is carefully stage-managing the Convention. Little information is available on the work of the Convention thus far, except for reports in the official Burmese press. The principles on which the constitution would be based,

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[3] Burma has ratified International Labor Organization (ILO) Convention 29 prohibiting forced labor. The International Confederation of Free Trade Unions has filed a complaint asking the ILO to investigate these reports. (South East Asia Labor Notes, AFL-CIO, March 1994).

[4] See "A Visit to Burma," The Mustard Seed, published by the Jesuit Refugee Service, Spring 1994, for a description of the conditions of internally displaced people.

and the proposed organization of the new state leadership, seem designed to enshrine the military's leading role in the government. A clause excluding certain candidates for the presidency appeared to be aimed at preventing Aung San Suu Kyi from ever taking office.[5]

The U.N. special rapporteur on Burma notes in his report that Convention participants have been disqualified, or arrested for trying to distribute leaflets or otherwise violate SLORC's controls of freedom of speech and assembly. He concludes that the National Convention does not constitute the necessary "steps towards restoration of democracy" demanded by the U.N. resolutions.[6]

Refugees and Trafficking

Over the years, tens of thousands of Burmese civilians have fled to Thailand to escape Burma's massive assault on human rights; some 70,000 remain in camps: others reside illegally in the country. But in the weeks leading up to the ASEAN PMC in Thailand, pressure on Burmese is increasing as Bangkok moves towards an overall rapproachment with Rangoon.

According to Amnesty International, hundreds of refugees last month were forcibly returned to Burma's Shan state by Thai authorities, despite the military conflict there. Human Rights Watch/Asia is also deeply concerned about the plight of some 7000 Mon refugees, sent back to Burma since September 1993. The repatriation ended in April 1994. Thai authorities are exerting pressure on the ethnic Mon to reach a cease-fire agreement with SLORC, to enable the lucrative commercial projects the two governments are developing to go forward. The Mon

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[5] "Burma Rules Would Bar Nobel Laureate From Politics," Reuters, May 10, 1994. Also see: Myanmar: Human Rights Developments July to December 1993, Amnesty International, chapter on the National Convention (January 1994)

[6] Prof. Yokota's report, pg. 22 and 25.

refugees are now forced to live in a camp on the Burma side of the border, where is no access by international relief agencies, nor are they under the protection of the U.N. High Commissioner on Refugees (UNHCR).

In addition, we have documented many instances of Thai authorities arresting and turning over to SLORC officials Karen and other minorities who come back across the border into Thailand, after fleeing forced portering or other abuses.

In Bangkok, Burmese opposition and student leaders are being intimidated and arrested by Thai authorities, apparently in order to prevent them from organizing protests against SLORC's presence during the ASEAN meetings. At least 20 students were arrested in May, for example, on grounds that they were illegally residing in Thailand. Another 10 were arrested in the first week of June.

The situation of refugees in Bangladesh also remains serious. Since late 1991, approximately 250,000 Rohingyas have escaped into Bangladesh following a campaign of persecution, killings and mass rape by the Burmese military against Moslems in the Rhakine state (Arakan). We have extensively documented these abuses, as well as abuses the refugees have endured at the hands of Bangladeshi authorities in the camps in Cox's Bazar.[7] The UNHCR currently is operating on both sides of the border to assist in the "safe and voluntary" return of refugees under the terms of a bilateral repatriation agreement reached between Rangoon and Dhaka in April 1992; since September 1992, about 54,000 refugees have returned to Burma under that agreement. However, there are still reports of coercion by local authorities in Bangladesh, and the repatriation process has slowed down as those who have returned to Burma

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[7] See "Burma: "Rape, Forced Labor and Religious Persecution in Northern Arakan," Asia Watch, May 7, 1992, and "Bangladesh: Abuse of Burmese Refugees from Arakan," October 9, 1993.

send back into the camps accounts of continuing abuses, such as confiscation of their land and forced labor. In fact, the flow of refugees out of Burma has resumed, and UNHCR's limited presence in the Rhakine state is clearly insufficient to provide international protection. There are only six UNHCR field officers in Bangladesh, plus an indigenous staff of about eight, but usually only four or five of the field officers are on site at any given time. The UNHCR's presence does not constitute human rights monitoring.

In 1992 and 1993, Human Rights Watch/Asia and the Women's Rights Project investigated the trafficking of Burmese women and girls into forced prostitution in Thai brothels. Our research indicates that border guards in both Burma and Thailand have done little to stop this illegal trade, and often they are participants in the trade. We are also concerned that SLORC has thus far restricted the ability of humanitarian agencies to monitor the well-being of Burmese women and girls who had been deported from Thailand as illegal immigrants. There are disturbing reports that some are imprisoned by SLORC upon return for illegally leaving Burma and/or for engaging in prostitution, with no regard for the fact that they were victimized by traffickers.[8]

U.S. Policy

We believe that pressure exerted on Burma by the U.S., in conjunction with other nations, has been effective and this pressure should continue. The Clinton Administration has maintained a freeze on bilateral aid, military sales and transfers, U.S. narcotics assistance, and supported suspension of World Bank loans to Burma. We also believe that public statements of support for restoration of human rights and civilian rule are vitally important, whether they

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[8] See A Modern Form of Slavery, Human Rights Watch, December 1993.

are made by the President or other high-ranking officials here or in multilateral forums.

However, as SLORC aggressively expands its political and economic ties -- especially with its Asian neighbors -- the U.S. must do more to develop a multifaceted policy to move SLORC towards substantial compliance with the U.N.'s recommendations. U.S. policy must take account of a shift that has taken place in recent months among some key countries in Asia, as well as the reality of massive Chinese aid and military support propping up the Burmese military government.[9]

Bangkok has taken the lead in improving ASEAN's relations with SLORC by inviting to Burma to attend some of the ASEAN meetings as an observer, but other ASEAN nations including Indonesia, Singapore and the Philippines, have also sent high-level delegations to Rangoon in recent months, seeking to expand trade and economic relations. Thus ASEAN is gradually helping Burma break out of its international isolation, on the that grounds that by doing so, it can encourage positive reform through "constructive engagement."

The results of this engagement have been clearly insufficient to meet the concerns of the broader international community. Yet Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, said recently in a briefing for Asian journalists that the U.S. and ASEAN have "agreed to disagree" on policy towards Burma. "We respect ASEAN's approach," Lord said.[10] Though the U.S. may have privately tried to dissuade Bangkok from inviting Burma

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[9] In addition to receiving from $500 million to over $1 billion in arms from China, Burma is also expanding and modernizing its armed forces with help from China, building new naval and radar bases. (The NATION, January 29, 1994.) Combined with China's increasing role in the Burmese economy, this is having the effect of moving some Asian governments, such as Japan, to strengthen their ties with SLORC in order to counteract Beijing's influence.

[10] Reuters, May 3, 1994.

to the ASEAN ministerial meeting next month, it refrained from exerting the kind of pressure that might have prevented the invitation.

Meanwhile, Japan is on the verge of a possible major policy shift towards Burma. Following the 1988 crackdown, Tokyo suspended all new Official Development Assistance (ODA); Japan had been Burma's primary bilateral aid donor historically. This past March, following cabinet-level discussions by the Hosokawa government, it was decided to use a loophole allowing for "humanitarian funding" to order to send some small scale assistance to Burma ($50,000 to the Myanmar Red Cross and $180,000 to Medicin sans Frontiers, a French NGO, for medicine and ambulances.) While continued support of humanitarian NGOs clearly independent of SLORC may be desirable, any widescale resumption of ODA would send the wrong signal to Rangoon. In Tokyo, however, this decision was viewed by many as a possible first step towards resuming ODA -- especially in light of renewed interest in Burma by the Japanese business community.

From June 15-18, 1994, a large delegation organized by Keidanren visited Rangoon, composed of 49 leaders in the trading, construction, and electronics industries. The chairman of the delegation told Lt. Gen Khin Nyunt that the suspension of ODA was "regrettable" and expressed the hope that it could be resumed soon; Khin Nyunt also brushed aside the concept of human rights as a Western concept. Gen. Than Shwe, chairman of SLORC, told the delegation that the "democratic foundations" for civilian rule are being prepared, but gave no details.[11]

On the other hand, members of the Japanese Diet (parliament) continue to express strong

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[11] I visited Tokyo in March 1994 and had detailed discussions with Japanese governmental officials on policy towards Burma. See reports on the Keidanren delegation, from Kyodo news service, in FBIS (June 15-20, 1994).

support for the unconditional release of Aung San Suu Kyi and a swift transition to civilian rule. Last month, more than 500 members of the Diet sent a letter to the UN Secretary-General and also urged Prime Minister Tsutomu Hata to help protect human rights in Burma . A previous Diet letter on Burma, signed by 374 MP's, was delivered to Boutros-Ghali in 1993. See text of the letter, attached.

Japanese policymakers have implied that ODA could not be resumed until Aung San Suu Kyi is freed and civilian government has been restored, but the Japanese government has not made an explicit statement of the specific conditions under which it would give new ODA.

We urge the Clinton Administration undertake the following initiatives, to make good on the President's commitment last year to give a higher priority to Burma:

1) In advance of the ASEAN PMC next month, U.S. ambassador to the U.N. Madeline Albright should seek a meeting with Boutros-Ghali to explore the possibilities for his appointing a special envoy to facilitate a dialogue between Aung San Suu Kyi and the NLD, the ethnic minorities and SLORC, and ways in which the U.S. could be of assistance working with other U.N. member states;

2) At the ASEAN meetings, Secretary Christopher should urge ASEAN's member states to send a clear message to SLORC that enhanced political and economic relations with Burma can only take place if Aung San Suu Kyi is unconditionally freed and allowed to participate in the political process; and if SLORC indicates it is willing to fully cooperate with a special envoy appointed by the UN Secretary-General, as well as the U.N.'s special rapporteur on Burma. Consultations should begin now with both the ASEAN governments and other dialogue partners on preparation of a joint statement to be released at the end of the PMC.

3) Japan should be asked to help prepare the groundwork for the PMC discussions, and should also be asked to state explicitly that no new ODA will be given to Burma until SLORC has fundamentally complied with the U.N.'s recommendations on restoring human rights and respecting the results of the 1990 elections, including freeing Aung San Suu Kyi unconditionally, releasing all political prisoners, allowing the ICRC access to prisons, and respecting the results of the May 1990 elections.

4) The Foreign Affairs Committee might consider sending a letter to its counterpart in the Japanese House of Representatives, commending members of the Diet for expressing their concern about Burma in recent letters and petitions and making the point about ODA.

5) The Administration should continue to discourage arms sales to Burma by other governments, such as Singapore, Poland, and Portugal, and in addition, should vigorously and publicly challenge China's role in providing arms to Burma; this could be done at the time of Secretary Christopher's expected meetings with the Chinese foreign minister at the ASEAN meeting.

6) The U.S. should express concern to UNHCR in Geneva that the small UNHCR staff is inadequate to effectively monitor the repatriation and resettlement of refugees returning to the Rhakine state (Arakan). The Administration should explore the option of increasing funding for UNHCR's efforts to assist in the repatriation (the U.S. committed $4.75 million in FY 1994 in response to the UNHCR's special appeal) on the condition that UNHCR seek to substantially expand its presence in Burma, gain access to all areas where refugees are returning, and be allowed to conduct monitoring without official escorts or interpreters.

In addition, the U.S. should urge the UNHCR to lobby the Thai government to grant

refugee status to Burmese refugees, to allow unconditional access to camps in the Thai-Burma border area, and to assess the "voluntary" nature of the repatriation of minorities such as the Mon.

7) The Administration should take precautions to ensure that no weapons or equipment sold to the Thai police are used by members of the police or border patrol involved in trafficking, forced prostitution, or abuse of women and girls who are apprehended.

8) Assistant Secretary of State for Human Rights, John Shattuck, should consult with Australia, Japan, ASEAN, and our European allies to develop a multilateral strategy for urging SLORC to allow the International Committee of the Red Cross access to Burmese political prisoners.

9) The Administration should take a firm and clear position opposing new or expanded investments by private U.S. companies in Burma, while also urging other governments to also limit financial dealings with and investments in Burma until the terms of the 1994 U.N. Human Rights Commission resolution are met. Until recently, when Thailand expanded its investments, the U.S. was the largest single source of investment in Burma.[12] Some of the most lucrative and important deals are being made in the oil sector, from companies in the U.S., France, U.K., Japan and other governments.[13] Unless the U.S. takes the lead, it will be impossible to bring to bear this crucial economic leverage. As a step towards this policy, the Commerce Department and State Department should be asked to provide to Congress a complete listing of current U.S. investors in Burma, as well as potential investors who may have approached the State Department, Commerce Department, or U.S. embassy in Rangoon.

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[12] See U.S. investments as of January 1994 as listed in a publication of the International Confederation of Free Trade Unions, "Burma.Human Rights, Foreign Trade and Investment," (Brussels.)

[13] Amoco pulled out from Burma in March 1994 following shareholder protests; it had spent $115 million in Burma since 1988 for oil exploration. Unocal is being challenged by shareholders due to its role in supporting a proposed oil-gas pipeline project along with French Total.

Attachment 1: Resolution Adopted by the U.N. Human Rights Commission
March 9, 1994

1994/85. Situation of human rights in Myanmar

The Commission on Human Rights,

Reaffirming that all Member States have an obligation to promote and protect human rights and fundamental freedoms as stated in the Charter of the United Nations and as elaborated in the Universal Declaration of Human Rights, the International Covenants on Human Rights and other applicable human rights instruments,

Aware that, in accordance with the Charter, the United Nations promotes and encourages respect for human rights and fundamental freedoms for all and that the Universal Declaration of Human Rights states that the will of the people shall be the basis of the authority of government,

Noting with particular concern in this regard that the electoral process initiated in Myanmar by the general elections of 27 May 1990 has not yet reached its conclusion and that the Government still has not implemented its commitments to take all necessary steps towards democracy in the light of those elections,

Deploring that many political leaders, in particular elected representatives, remain deprived of their liberty and that Daw Aung San Suu Kyi, a Nobel Peace Prize laureate, is still under house arrest and, according to some sources, will not in any event be released before the end of 1994,

Noting the measures taken by the Government of Myanmar, including its accession to the Geneva Conventions of 12 August 1949, for the protection of war victims and the release of a number of political prisoners, at the urging of the international community,

Gravely concerned at the violations of human rights in Myanmar which remain extremely serious, in particular the practice of torture, summary and arbitrary executions, forced labour, including forced portering for the military, abuse of women, politically motivated arrests and detention, forced

displacement of the population, the existence of important restrictions on the exercise of fundamental freedoms, including the freedom of expression and association, and the imposition of oppressive measures directed, in particular, at minority groups,

Noting further that many violations directly affect women, in particular women belonging to minorities, who have suffered ill-treatment, especially at the hands of the military, as stated by the Special Rapporteur,

Noting that this situation has resulted in flows of refugees towards neighbouring countries,

Deeply concerned at the continuous problems created in neighbouring countries by this exodus of refugees, including some 200,000 refugees still living in Bangladesh,

Welcoming, nevertheless, the signing on 5 November 1993 by the Government of Myanmar and the Office of the United Nations High Commissioner for Refugees, of the Memorandum of Understanding on the voluntary repatriation of refugees from Bangladesh,

Having examined the reports of the Working Group on Arbitrary Detention (E/CN.4/1994/27), the Special Rapporteur on the question of torture (E/CN.4/1994/31), and the Special Rapporteur on the question of religious intolerance (E/CN.4/1994/71),

Recalling its resolution 1992/58 of 3 March 1992, in which it decided to nominate a special rapporteur to establish direct contacts with the Government and people of Myanmar, including political leaders deprived of their liberty, their families and their lawyers, with a view to examining the situation of human rights in Myanmar and following any progress made towards the transfer of power to a civilian Government and the drafting of a new constitution, the lifting of restrictions on personal freedoms and the restoration of human rights in Myanmar,

Taking note of General Assembly resolution 48/150 of 20 December 1993,

Noting that the Special Rapporteur has visited Myanmar at the invitation of the Government of Myanmar,

Deploring, however, that, in spite of the provisions of resolution 1993/73 requesting the Myanmar authorities to extend their full and unreserved cooperation to the Special Rapporteur, he has been denied access to Daw Aung San Suu Kyi,

Reaffirming that Daw Aung San Suu Kyi, a Nobel Peace Prize laureate, who has recently been authorized to receive a number of visits, must be released immediately and unconditionally,

Taking note of the cease-fire being observed and the negotiations under way between the Government of Myanmar and several minority groups,

1. Expresses its thanks to the Special Rapporteur for his report (E/CN.4/1994/57) and the conclusions and recommendations contained therein;

2. Deplores the continued seriousness of the situation of human rights in Myanmar and, in particular, the fact that a number of political leaders, including Daw Aung San Suu Kyi and other leaders of the National League for Democracy, remain deprived of their liberty;

3. Again urges the Government of Myanmar to take, in conformity with the assurances given at various times, all necessary measures to establish a democratic State in full accordance with the will of the people as expressed in the democratic elections held in 1990;

4. Notes with concern that most of the representatives democratically elected in 1990 have been excluded from participating in the meetings of the National Convention, created to prepare the basic elements for the drafting of a new constitution, that severe restrictions have been imposed on delegates, including members of the National League for Democracy, who are unable to meet or distribute their literature, and that one of the objectives of the Convention is to maintain the participation of the armed forces (Tatmadaw) in a leading role in the future political life of the State;

5. Notes with concern the observation of the Special Rapporteur with regard to the National Convention that no evident progress has been made towards turning power over to a freely elected Government;

6. Strongly urges the Government of Myanmar to take all appropriate measures to allow all citizens to participate freely in the political process, in accordance with the principles of the Universal Declaration of Human Rights, and to accelerate the process of transition to democracy, in particular through the transfer of power to the democratically-elected representatives, lifting restraining orders placed on a number of political leaders, releasing those who are detained and ensuring that all political parties can function freely;

7. Strongly urges the Government of Myanmar to restore full respect for human rights and fundamental freedoms, in particular the freedom of

expression and opinion and the right of association and of assembly, to restore protection of persons belonging to minority groups, notably against discrimination, especially in the framework of the citizenship laws, and to put an end to violations of the right to life and integrity of the human being, to the practice of torture, abuse of women and forced labour, to enforced displacements of the population and to enforced disappearances and summary executions;

8. Reminds the Government of Myanmar of its obligation to put an end to the impunity of perpetrators of violations of human rights, including members of the military, and its responsibility to investigate alleged cases of human rights violations committed by its agents on its territory, to bring them to justice, prosecute them and punish those found guilty, in all circumstances;

9. Regrets the recent harsh sentences meted out to a number of dissidents, including persons voicing dissent in regard to the procedures of the National Convention;

10. Regrets also that, while a certain number of political prisoners have been released, many political leaders are still deprived of their freedom and their fundamental rights;

11. Strongly urges the Government of Myanmar to release immediately and unconditionally the Nobel Peace Prize laureate, Daw Aung San Suu Kyi, detained without trial for the last five years, as well as other detained political leaders and all political prisoners, to ensure their physical integrity and to permit them to participate in the process of national reconciliation;

12. Calls upon the Government of Myanmar to consider becoming a party to the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, and to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment;

13. Appeals to the Government of Myanmar to fulfil its obligations as a State party to the Forced Labour Convention, 1930 (No. 29) and the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) of the International Labour Organisation;

14. Encourages the Government of Myanmar to continue to lift the emergency measures;

15. Requests the Government of Myanmar to ensure that all persons, without discrimination, are afforded the minimum guarantees for a fair trial, according to due process of law and in conformity with applicable international standards, that laws are given due publicity and that the principle of non-retroactivity of laws is respected;

16. Requests the Government of Myanmar to create the necessary conditions to facilitate the early repatriation of Myanmar refugees in neighbouring countries and their full reintegration, in conditions of safety and dignity, and to implement fully the Memorandum of Understanding concluded with the Office of the United Nations High Commissioner for Refugees on 5 November 1993, concerning refugees in Bangladesh;

17. Invites the Government of Myanmar to fully respect its obligations under the Geneva Conventions of 12 August 1949, in particular their common article 3, and to avail itself of such services as may be offered by impartial humanitarian bodies;

18. Stresses that it is important for the Government of Myanmar to give particular attention to prison conditions in the country's jails and to allow international humanitarian organizations to communicate freely and confidentially with prisoners;

19. Welcomes the first measures taken by the Government of Myanmar to provide for the training of military personnel in international humanitarian law and requests it to intensify its efforts in that regard and to extend them to police and prison personnel;

20. Decides to extend for one year the mandate of the Special Rapporteur to establish or continue direct contacts with the Government and people of Myanmar, including political leaders deprived of their liberty, their families and their lawyers, and requests him to report to the General Assembly at its forty-ninth session and to the Commission on Human Rights at its fifty-first session;

21. Urges the Government of Myanmar to cooperate fully and unreservedly with the Commission and the Special Rapporteur and, to that end, to ensure that the Special Rapporteur has effectively free access to any person in Myanmar whom he may deem it appropriate to meet in the performance of his mandate, including Daw Aung San Suu Kyi;

22. Requests the Secretary-General to provide the Special Rapporteur with all necessary assistance;

23. Decides to keep the matter under review at its fifty-first session under the agenda item "Question of the violation of human rights and fundamental freedoms in any part of the world, with particular reference to colonial and other dependant countries and territories".

66th meeting
9 March 199
[Adopted without a vote.]

Attachment 2: Letter from Japanese Diet Members to Boutros Boutros-Ghali

HOUSE OF REPRESENTATIVES

DIET OF JAPAN

1-7-1, NAGATA-CHO,
CHIYODA-KU, TOKYO

Dr. Boutros Boutros-Ghali
Secretary-General of The United Nations
United Nations
New York
United States of America

March 14, 1994

Dear Dr. Boutros-Ghali

We, the undersigned Members of Parliament, wish to express our deep concern regarding the grave situation in Burma (Myanmar). We request that the United Nations continue its strong efforts to promote the respect for human rights and to work for the swift transition to civilian rule in Burma.

We are particularly concerned that Nobel Peace Laureate and leader of the National League for Democracy, Daw Aung San Suu Kyi, remains under house arrest. This continuing detention, recently extended for a fifth year, is all the more unacceptable in that her party won a landslide victory (392 of 485 seats) in the General Election of May 1990. In addition, according to the 1993 annual report of Amnesty International, a number of opponents of the government remain in captivity and are suffering several abuses. We deplore and condemn the almost complete disregard for human rights in Burma.

We emphasize that free participation for Daw Aung San Suu Kyi as well as for other currently detained politicians is critical to the transition to civilian rule.

Therefore, we strongly urge you to do everything in your power to press the State Law and Order Restoration Council, in power in Rangoon, to take following measures:

1. The immediate and unconditional release of Daw Aung San Suu Kyi and all political prisoners, with guarantees for their freedom.

2. The swift and complete implementation of a transition to civilian rule, as mandated by the May 1990 General Election, as per solution adopted by the 1993 United Nations General Assembly.

Yours respectfully,

503 Diet members

(Signature)

STATEMENT OF MIRIAM MARSHALL SEGAL

June 29, 1994

Mr. Chairman,

I am grateful for your invitation to present my views on Myanmar to this subcommittee.

My name is Miriam Marshall Segal and I am Chairperson of Peregrine Capital Myanmar Ltd. - MMAI. I would like to take a momont to tell you a little about myself. I am a victim of the Holocaust and my father was killed in a struggle to establish the State of Israel. I was stateless for 18 years. More so than many others, I know the pain of organized repression and the value of freedom. I have been visiting Myanmar for over 18 years, first as a tourist and later as one engaged in a business developing artifacts made by Myanmar's skilled artisans. About three years ago, my company formed a joint venture with a Myanmar Government enterprise in the area of fisheries. Very recently, Peregrine Investments Holdings Ltd., one of the most successful investment banks in Asia, with subsidiaries in several Asian countries commenced operations in Myanmar with my company. Peregrine which has an unparalleled record of success over the last seven years, would scarcely commence operations in Myanmar unless it shared my confidence in the growth and stability of Myanmar.

The insistent clamor on what's wrong with Myanmar drowns out the many changes and achievements of the last three years. Unfortunately, one outdated picture, one still shot frozen in time, seems to rivet everyone's attention. The truth is far more complex. Being primarily a business person I would like to focus on the changes in the economic and business climate in Myanmar. It would however be a jejune exercise on my part to do so without some attempt to offer my perspective on the political events of the last few years.

Perspective is based on both information and misinformation. The extent to which rampant misinformation pollutes any reasoned discourse on Myanmar can be seen from a recent news item which appeared in the Boston Globe on May 5, 1994, in which it was reported that Myanmar's military rulers raffled off rights to fish its waters for the purpose of raising hard currency to finance the cost of purchasing Chinese weapons. Since I have been so intimately involved in the fishing industry in Myanmar for the last four years, I can only describe this news item as undiluted nonesense. The truth is that for over three years, a courageous Minister, intent on developing Myanmar's fisheries resources with due regard to conservation and an orderly development of Myanmar's resources, threw out of Myanmar's waters nearly 650 fishing vessels from other nations. The absurdity of the Boston Globe news item may be gathered from the fact that after nearly 18 months of negotiations with four Chinese fishing fleets, my company is, on a gradual basis, increasing the deployment of Chinese fishing vessels in Myanmar from nine to about fifty. If Myanmar were indeed so desperate for Chinese weapons, they could have simply invited 600 Chinese fishing vessels to come in. One wonders what motivated the writer of this article. And if the writer's statement were true at some point in time many years ago but certainly not at any time in the last four years, what relevance does this information have today? And that is what I wish to emphasize. Please put away outdated information about Myanmar -there is much which has changed in the last four years.

The most obviously visible change in Myanmar, at least from a foreigner's perspective, is the sharply increased number of tourists and business visitors now pouring in Myanmar. What was once a completely closed country is now enthusiastically rolling out the welcome mat even to dissidents. Former Prime Minister's

U Nu's daughter and her husband, vocal critics of the regime, recently visited Myanmar. Such a posture can scarcely be reconciled with a view that the Myanmar Government is determined to stem the exposure of Myanmar citizens to diverse political philosophies.

Omar Farouk, a former journalist from Myanmar who now resides in Australia, recently wrote as follows:

> "Irreversible changes are taking place in Burma after the "Young Turks" [have taken over]. Karl Marx is out; Gautam Buddha is in... The Burmese Muslims are again free to use loudspeakers from the minarets. Visiting foreign pastors can now address their congregations in churches. Pilgrimages to Mecca and the Vatican are no longer a problem. The revolution of the mind has begun."

Anyone who visited Myanmar five years ago and returns today would be surprised by the changes which are visible everywhere, in streets and shops, in villages and farms, and in the attitudes of Government officials. These first hand encounters in a country can reveal far more than reams of statistics.

There is now a concerted diversion of the economy from military and defense goals to one where civilian needs assume priority. Three statutes, the Foreign Investment Law enacted in 1988, the State-Owned Economic Enterprises Law enacted in 1989, and the Private Industrial enterprises Law enacted in 1990, have resulted in a flood of private entrepreneurial activity. Some detailed information about these statutes and the number of new enterprises established are submitted to this Committee as an annexure to my statement. In the area of fisheries, privatization is almost total. It may take longer in other areas but the eventual goal is clear. In sharp contrast, both the democratic constitution of 1947 and the socialist constitution of 1974 called for the nationalization of all capitalist enterprises.

Each and every sector of the economy has blossomed under the more liberal atmosphere. Production in paddy increased to 835.7

million baskets - an increase of 124.6 million of the prior year. In 1993-94, crude oil output was 7.3 million U.S. barrels and natural gas 38.7 million cubic feet as against a mere 1.9 million U.S. barrels and 10.4 million cubic feet in the prior year. Output in tin, tungsten, gold, refined silver and lead have also surged. In foreign trade, the private sector by far out performed the public sector and the role of the public sector is steadily shrinking. Similar progress can be seen in infrastructure projects - a total of 16,770 miles of new and old roads were extended or repaired in 1993-94 and 95 new bridges have been built.

A new four year National Health Plan has been adopted with large budgets and authority given to local authorities. An aggregate of 45 specific projects have been launched in cooperation with international agencies such as WHO, UNDP, UNICEF, etc. Specific programs have been developed to meet the needs of women and children such as immunization of all children under the age of one as well as their mothers; the providing of post natal care; growth monitoring, etc.

Yet another striking and easily verifiable example of the new directions and initiatives are the vigorously stepped up narcotic control measures. A Congressional Committee of the United States and our Drug Enforcement Agency have commended Myanmar's efforts to stem the cultivation of plants which eventually yield narcotic drugs. Myanmar acceded to the U.N. convention against illicit traffic in narcotic drugs, and in compliance with the requirements of the convention, enacted a new Narcotic Drugs and Psychotropic Substance Law in January '93. United Nations observers have documented the huge quantities of narcotic drugs seized and destroyed. To drive home its anti-drug message, the seized drugs are regularly torched at public exhibitions all around the country in the presence of foreign diplomats and U.N.

observers. A newly created Work Committee for the Development of Border Areas has commenced a series of programs to offer alternatives to cultivating the opium poppy, and large budgetary allocations have been made for this purpose. Sadly, the Myanmar Government's efforts in controlling cultivation and trafficking in narcotics are aggressively countered by local chiefs and warlords with slogans on behalf of democracy and human rights. Columbia and many other countries in Latin America and Asia have received millions to fight the drug trade. Myanmar has not received a penny. Yet, it continues to sacrifice its human and material resources to put a halt to a scourge which eventually finds its way into our streets and schoolyards.

My recitation of the positive changes in Myanmar cannot but lead to the inevitable question - when will democracy return. Any answer to that question must be based upon the simple premise that in virtually every country a written constitution is a prerequisite to a functioning democracy. The prevalent view in Myanmar was that the elections were held to organize a convention which would draft a constitution rather than form an administration to take over the reins of government. It must be remembered that 93 parties contested the election, and members from 27 parties were elected. The only sure outcome of the elections was not orderly government but the most ominous signs of fratricidel strife. The military could not wait for a Yugoslavia type situation to develop; it stepped in to forestall yet another round of senseless violence. To do so, the leadership had to use force and inevitably lives were lost.

The dilemma between preserving national unity or advancing the cause of liberty is not new. Abraham Lincoln faced the same situation in 1862 when the editor of the N.Y. Tribune accused him of not enforcing certain anti-slavery measures. Lincoln replied, "My paramount objective in this struggle is to save the Union,

and is not either to save or destroy slavery." Our history also tells us that Lincoln, more than anyone, was responsible for abolishing slavery. But Lincoln also was unwavering in establishing his priority - national unity. Can we really blame the leadership in Myanmar for doing the same? The price we paid for preserving the Union pales in comparison with anything that has happened in Myanmar - 360,000 dead in the Union army and 288,000 on the Confederate side, not to mention the wounded.

We must remember that the new group of leaders in Myanmar are not the creators of the present situation but rather its inheritors. As soon as conditions settled, they called a constitutional convention which included about 40% of those who won the earlier election. Additional representation was added from the border areas, the clergy, the intellegentsia and the military. Many other countries have done likewise when they set about to draft a constitution.

While of course one would like to see a democractic goverment installed immediately, I doubt if we should dictate either the time table which the present government should adhere to or the exact provisions which should be adopted in the Constitution. Throughout history, national building has been a difficult process. Our own history bears testimony to this fact. It was only after numerous wars and countless situations where violent abuses of human rights occurred that a reasonably stable and democratic society finally emerged in America. Virtually every other European and Asian nation went through the same process. The settlement of borders, the acceptance of a central authority, the integration of separatist forces - all these are time consuming tasks.

To its credit, the present regime has, in just the last five years, made peace with no less than eleven dissident groups: the

Myanmar National Democracy Alliance, the Myanmar National Solidarity Party, the National Democracy Alliance Army Military & Local Administration Committee, the Shan State Army, the New Democratic Army, the Kachin Defense Army, the Pa-O National Organization, the Palaung State Liberation Party, the Kayan National Guards, the Kachin Independence Organization and the Kayinni Nationale Liberation Front. The Committee will find more details on these successfully concluded peace talks in an annexure to this statement. There can be no question that national reconciliation and pacification are making impressive progress. In a country such as Myanmar with numerous languages, cultures, religions and regional loyalties, democracy without proper preparation becomes a prescription for chaos and anarchy rather than liberty and progress. Democracy is not an export commodity. Rather it should take root and grow as an indigenous plant resplendent in its native hues.

It is my belief that the positive changes in Myanmar described above have planted the seeds of democracy in Myanmar. We must allow some time for the plant to grow. It is in this context that we must reexamine our policy in Myanmar especially in view of the fact that we have made practical and sensible policy decisions where some other countries are concerned. For example, neither Saudi Arabia nor Kuwait has had free elections in decades. The human rights records of both have been appalling. Yet when is the last time any of the champions of democracy have clamored for free elections in Saudi Arabia or Kuwait? Both Saudi Arabia and Kuwait are amongst our largest trading partners, and American investments have poured into these countries. Indonesia was, for nearly two decades, a country with problems and a form of Government very much like Myanmar. But American trade and investment in Indonesia did not suffer. The savage butchery of thousands of dissidents in so many Latin American countries has been amply documented. But we have not

ceased to do business with these countries or attempted to impose sanctions on them.

Sanctions and enforced isolation will do little to speed a country like Myanmar along the path to democracy. That is far more likely to happen if we proudly and forcefully promote American values and efficiently advance the cause of private enterprise. We must first understand the tides of history in that region. We can make an important contribution to Myanmar's process of democratization and economic liberalization only if, on the basis of such understanding, we engage in an active dialog. We should take active steps to increase the flow of books and magazines, professors and businessmen, tourists and observers. We should do all we can to reinforce every evolutionary step toward democracy, and constantly press for change. Most importantly, we should without any further delay send an Ambassador to Myanmar. If we are serious about it, how can we convey a message without a messenger?

Our antagonism towards Myanmar will not have a material impact. Trade and investment delegations from Japan, China, Singapore, Indonesia, Thailand, Australia and Korea as well as several businessmen from European countries are eagerly seeking business opportunities in Myanmar. Once again, these countries will make money while we preach. Their Ambassadors speak publicly about human rights and privately go about the business of helping to negotiate contracts. Nevertheless, these countries will, by their economic activities, do more to spread democracy than our preaching will ever accomplish. And we will be the losers in terms of influence, exports and jobs. Instead of our present policy, we should extend to Myanmar the same patience and understanding we have shown to so many other countries. The history of one party rule and human rights records of China and Myanmar are not very different. But China is a stronger country and we have more trade and investment there. Is it

the American way to prescribe one set of values and policies for the strong and another for the weak?

In conclusion, I submit that in the matrix of history as it stands in 1994, the battle for liberal democracy has been fought and won. It would be particularly apt to quote from Francis Fukuyama's book, "The End of History and the Last Man," in which he states:

> "[T]here is a fundamental process at work that dictates a common evolutionary pattern for all human societies -in short, something like a Universal History of mankind in the direction of liberal democracy. The existence of peaks and troughs in this development is undeniable. But to cite the failure of liberal democracy in any given country or even in an entire region of the world as evidence of democracy's overall weakness, reveals a striking narrowness of view. Cycles and discontinuities in themselves are not incompatible with a history that is directional and universal, just as the existence of business cycles does not negate the possibility of long term growth."

There is much wisdom in Fukuyama's observation. If we choose to believe it, constructive dialog rather than coercion or sanctions should be our policy in Myanmar, unless, of course, we are determined to forget the lessons of our recent history.

ANNEXURE I

LIST OF INSURGENT GROUPS WITH WHOM PEACE TALKS HAVE BEEN CONCLUDED

1.	Myanmar National Democracy Alliance (MNDA) (Hpone Kyar Shin)	31-3-89
2.	Myanmar National Solidarity Party (MNSP) (Kyauk Ny Hline)	9-5-89
3.	National Democracy Alliance Army Military & Local Administration Committee (Eastern Shan State) (NDAA) (Sai Lin)	30-6-89
4.	Shan State Army (SSA) (Sae Htin)	24-9-89
5.	New Democratic Army (NDA) (Sa Khone Taing Yin)	15-12-89
6.	Kachin Defense Army (KDA) (Ma Htu Naw)	11-1-91
7.	Pa-O National Organization (PNO) (Aung Hkam Hte)	18-2-91
8.	Palaung State Liberation Party (PSLP) (Ei Mone)	21-4-91
9.	Kayan National Guards (KNG) (Gabriel Byan)	27-2-92
10.	Kachin Independence Organization (KIO) (Brang Seng)	1-10-93
11.	Kayinni Nationale Liberation Front (KNLF) (Htun Kyaw)	9-5-94

ANNEXURE II

Privatization in Myanmar

1. Before the State Law and Order Restoration Council assumed the state's power in September 1988, the Union of Myanmar adopted and practiced a centrally planned economic system for about two and a half decades. But immediately after assuming the state's power, the State Law and Order Restoration Council announced and made it clear it's intention to adopt and move toward a more open-market oriented economic system. Putting the intention into practice a series of legislation to regulate and liberalize the economy are introduced and appropriate laws are promulgated, with the aim to strengthen and institutional framework for the proper working of a market economy that would stimulate, promote and accelerate the country's economic development in the shortest time.

2. First and foremost the Foreign Investment Law was promulgated and put into practice in 1988. The law's main objective is to attract the much needed large capital investment from potential foreign investors. It permits and encourages potential foreign investors to come in and invest not only in new economic ventures but also to enter into joint ventures with the existing state-owned economic enterprises, cooperative societies and private entrepreneurs. As a result, a number of joint ventures have been established between state-owned economic enterprises and foreign investors.

3. The State-owned Economic Enterprises Law which was promulgated and put into practice in 1989 reserved twelve economic activities such as cultivation and conservation of forest plantation, exploration, extraction and trading in petroleum, natural gas, teak, pearls, jade, precious stones and metals; post and telecommunications and electricity generation and supply. However if the government deems it beneficial to the state, it may opt for an exemption and allow the private sector to do business either in the form of joint venture with the State-owned Economic Enterprises or independently in some activities that are reserved for the state. It means that almost all of the economic activities are opened to the private sector.

4. The private Industrial Enterprises Law was also enacted in 1990 with the aim to promote industrial production in the private sector and to give necessary support to the medium as well as large scale private industries. Foreign investment is also allowed under this law to help promote small and medium scale industries.

5. Due to the liberalization of the economy and encouragement given to the private sector through the promulgation and implementation of the above mentioned Laws, the total number of private enterprises, factories and establishments have increased from (39,059) in 1987-88 to (40,145) in 1993-94.

6. Privatization has taken place in the form of:

(a) joint ventures between state-owned enterprises and private investors, both local and foreign;

(b) joint ventures between Myanmar citizens and foreign investors;

(c) management contract to private enterprises without transferring ownership;

(d) leasing out factories and facilities owned by State-owned Economic Enterprises to private entrepreneurs.

7. The following table shows the number of privatization transactions under various ministries.

Sr. No	Ministry	Lease	Joint Venture
1	2	3	4
1	Ministry of No (1) Industry	17	9
2	Ministry of Forestry	3	2
3	Ministry of Agriculture	9	-
4	Ministry of Transport	1	-
5	Ministry of Hotels & Tourism	9	3
6	Ministry of Livestock Breeding & Fisheries	75	1
7	Ministry of No. (2) Industry	3	1
8	Ministry of Rail Transportation	----	--
	Total	117	16

8. The major reform measures undertaken for liberalization of the economy to be changed to market oriented economy in various sectors are as follows:

Agriculture Sector

(a) The Central Committee for the management of culturable land, fallow land and waste land was formed in September 1991 for effective and efficient utilization of land resources for agriculture and livestock fishery development and related activities, which allowed state enterprises, co-operative societies, joint ventures and private entrepreneurs to reclaim and utilize fallow and culturable waste land up to 5000 acres for plantation crops, 3000 acres for orchard and 1000 acres for seasonal crops.

(b) As for livestock, poultry farming and aquaculture 5000 acres for buffalo, cattle and horses, 1000 acres for sheep and goats, 500 acres for poultry and pigs and 2000 acres for aquaculture were allotted.

(c) The private sector has been given the right to market agricultural inputs such as chemicals, fertilizers, pumps, tractors, etc. Exemptions were given on commercial tax and license fees for imported agricultural inputs such as fertilizers, pesticides and agricultural machinery and implements while the rate of import duties has also been reduced.

(d) Prices of agriculture produce have been decontrolled and farmers are allowed to cultivate crops of their own choice, mill and process and to transport, store and trade freely.

(e) Joint Ventures in collaboration with local and foreign organizations and companies have been formed. In oil palm cultivation, seven out of eight thriving farms totalling 16,570 acres owned by Myanmar Farm Enterprises were leased out to a private entrepreneur and three local companies for a specified time period.

(f) Land leases were also granted to private companies to expand oil palm plantation in Tanintharyi Division and imported quality seeds for distribution.

Livestock and Fishery Sector

(a) Animal foodstuff were produced and distributed in cooperation with a foreign company;

(b) Loans were disbursed to private sector for livestock breeding and fishery industries as well as for integrated paddy and fish farming.

(c) Permission was granted to private entrepreneurs for operating some leasable fisheries on three years settlement basis to encourage fishery development.

(d) A contract to private entrepreneurs and foreign companies was granted for fishing industry in specific areas within the exclusive economic zone of Myanmar territorial waters in accordance with Myanmar Marine Fisheries Law and the law relating to the Fishing Rights of Foreign Fishing Vessels.

(e) Joint ventures were formed between the State and foreign companies as well as local entrepreneurs for production and marketing of fish, prawn and marine products.

(f) Complete privatization of Myanma Fisheries Enterprise was undertaken.

Forestry Sector

(a) With a view to stepping up manufacturing and marketing of forest products the Myanmar Timber Enterprise, Forest Department and the public had established the Union of Myanma Forest Products Joint Venture Corporation Limited in 1993.

(b) Two Joint-Ventures were formed with foreign companies for manufacturing wood based high value added processed forest products, mainly plywood, veneer and sawn timber.

Mining

(a) Fourteen foreign companies in collaboration with Myanma Oil and Gas Enterprise had been granted permission to carry out on-shore and off-shore exploration and extraction for oil and gas on production sharing basis.

(b) The No. (2) Mining Enterprise in collaboration with local organizations and private individuals carried out extraction of tin, tungsten and tin-tungsten mixed concentrates on specified blocks.

(c) The No. (3) Mining Enterprise in Joint Ventures with two foreign companies carried out exploration and production of coal and production, distribution and sales of barytes powder and granite stones.

(d) Myanma Gems Enterprise has granted permission to the private individuals to explore and extract gems and jade on specified blocks.

(e) The General Merchandise Trading has opened procurement centers at gold producing areas to procure gold from the private individuals.

(f) Ivanhoe Myanmar Holdings Ltd. (UK) wholly foreign owned was granted permission for feasibility study of developing, mining and processing copper.

Construction Sector

(a) Other government organizations, cooperatives, joint ventures and registered private contractors are allowed to carry out construction works financed by the state on tender system which were formerly undertaken solely by the government organizations.

(b) Public Works undertakes its own works according to standard norms and renders supervision to works which are contracted to the private contractors.

Transport and Communications

(a) The Mandalay Freight Forwarder private company operated freight transport services in the Yangon-Mandalay route and also operated Maikha-Mandalay express passenger train in the Mandalay-Myitkyina route on a contractual basis. The private company called Bann Thawdar and the Myanma Railways also jointly operated freight transport services in the Yangon-Mandalay route. The Myanma Railways and the private firm, Dagon-Mann Company Limited, jointly operated the Dagon-Mann express passenger train in the Yangon-Mandalay route. Inland Water Transport Enterprise has leased out some vessels on contractual basis to private entrepreneurs and on a benefit sharing system. The Inland Water Transport also jointly operated transport services with the private entrepreneurs in Yangon-Mandalay and Yangon-Pathein routes

(b) The Myanma Airways in cooperation with Singapore Highsonic Enterprise (Pte) Limited formed "Myanma Airways International" is operating between Yangon-Hong Kong, Yangon-Bangkok and Yangon-Singapore. A tourist air service between Chaingmai and Mandalay/ Bagan airports was inaugurated.

Power Sector

(a) Permission for the construction of small scale power plants up to the capacity of 750 kilowatts and 300 kilowatts have been granted to cooperatives and private sector to promote the development of cottage industries outside the National Grid System.

External Trade

(a) The trade policy was changed from the inward-looking import substitution to out-word-looking export orientation.

(b) Starting from 1988-89 private and cooperative sectors are allowed to participate in the external trade which was formerly the monopoly of the State.

(c) Trade liberalization measure was introduced since 1988-89 by allowing registration of exporters, importers and business representatives.

(d) Ministry of Trade formed Myanma Chamber of Commerce and Industry for the promotion of trade and industry in the private sector.

(e) Joint ventures between private, local and foreign entrepreneurs and the State Economic Enterprises have been formed.

(f) Border trade with neighboring countries such as China, India, Bangladesh and Thailand have been regularized since the latter part of 1988-89.

(g) For systematic development of border trade and for the benefit of the traders, central and regional border trade supervisor committees have been formed.

(h) Transit trade services are allowed to be carried out not only by the state but also by private entrepreneurs, companies and organizations within the prescribed rules and regulations and import license fees exempted.

(i) External trade is being carried out not only by normal trade but also by border trade. External trade is being carried out by various methods, such as normal trade practices, import first and export later, exports and imports on consignment basis and on barter basis, have been practiced.

(j) Myanma Gem Enterprise allowed private individuals for sale of jade and gems on consignment basis and formed joint venture enterprises with foreign companies.

(k) Myanma Tourism Law was enacted in 1990 and Myanma Hotel and Tourism Law was promulgated in 1993 for systematic tourism and to allow private entrepreneurs to engage in tourist industry extensively.

Processing and Manufacturing Sector

(a) Commodities are produced jointly by State Economic Enterprises and private enterprises on consignment basis, buy-back and counter-trade system.

(b) 18 factories were leased out to the private entrepreneurs for operation.

(c) 24 joint ventures were formed with foreign organizations and SEEs for producing domestic consumption and for export under the Foreign Investment Law.

(d) In order to promote the production of commodities by the private sector, the state had promulgated the Private Industrial Promotion Law in 1990 and the Cottage Industrial Promotion Law in 1991. The National Industrial Promotion Committee has also been formed in 1992 with the aim of coordinating and harmonizing related activities among state, cooperative and private industrial enterprises.

Financial Sector

(a) Foreign Investment Law was enacted in November 1988, with a view to inducing investment, technology and entrepreneurship.

(b) Central Bank Law, Financial Institutions Law and Agricultural and Rural Development Law have been enacted with a view to effective mobilization of financial resources. To contribute and promote development of private enterprises the Myanma Economic Bank and Myanma Investment and Commercial Banks have been disbursing a large amount of credit in fields such as manufacturing and processing, trade, tourism, publication of books and journals, motion picture production and construction works, etc.

(c) Thirteen private banks were permitted in order to expand banking business and create wider participation of the local and private entrepreneurs.

(d) The tax system was modified in line with the economic reforms by amending the Tariff Act of 1953, the Income Tax Law and the Profit Tax Law. Furthermore, Commercial Tax Law was enacted in 1990, abolishing the Commodity and Services Tax Law.
To stabilize the prices of consumer goods and to enhance

in payment of commercial taxes in various stages from purchase to sales of goods.

(e) Savings Bank Law was enacted in 1992 in order to cultivate the practice of thrift among the people and to promote the mobilization of financial resources.

SCHEDULE 1

Comparative Statement Showing Private Factories and Establishments

(Number)

Sr No.	Particulars	Private 1987-88	1993-94
1	2	3	4
1	Food & Beverages	13,158	22,195
2	Clothing & wearing apparel	7,890	2,726
3	Construction Materials	1,628	3,823
4	Personal goods	3,303	1,310
5	Household goods	1,160	190
6	Printing & Publishing	105	344
7	Industrial raw materials	1,644	1,881
8	Mineral & Petroleum products	3,201	2,005
9	Agricultural equipment	7	52
10	Machinery & equipment	5	130
11	Transport Vehicles	247	128
12	Miscellaneous	4,711	5,361
	Total	39,059	40,145

Source: Review of the Financial Economic and Social Conditions for 1987-88 and 1993-94

Statement of Senator Daniel Patrick Moynihan
before the House Foreign Affairs Committee
Subcommittee on Asia and Pacific
June 29, 1994

Thank you Mr. Chairman for providing me with the opportunity to testify at this important hearing. For five years now, members of Congress have joined in candid opposition to the brutal military junta of Burma known as the State Law and Order Restoration Council (SLORC). I commend you and the members of your subcommittee for holding this hearing to allow discussion of the situation in Burma at this significant time.

Two important events are fast approaching: Nobel Peace Prize winner, Aung San Suu Kyi will mark her fifth year under house arrest in Burma in three weeks, and the members of the Association of Southeast Asian Nations (ASEAN) will convene in Bangkok for their annual meetings. These two events should give the United States Government an opportunity to demonstrate our many concerns regarding the situation in Burma.

As you know Mr. Chairman, in 1988 the Burmese people took to the streets of Rangoon, and elsewhere, demanding democracy for their country. Sadly, government forces turned peaceful protests into violent tragedy. In September, troops were called upon to silence protestors and thousands of unarmed demonstrators were killed. The name of the country and of the government were changed, but in fact, both were much the same.

Since then, the SLORC has earned its reputation as one of the worst violators of human rights in the world. Others who you have asked to testify today, Mr. Chairman, have documented this. The SLORC seeks to hold power through violence and intimidation. In effect they have waged war against their own people. But the will of the Burmese people can not be squelched. As they continue their fight for democracy, support from the international community remains steadfast.

The SLORC came to power through violence, but they must have cynically imagined that a rigged election was the answer to their untenuous political situation, and one was scheduled for May 1990. In order to ensure their victory the leader of the National League for Democracy (NLD), Aung San Suu Kyi, was placed under house arrest. Despite the numerous restrictions placed on the NLD they won an overwhelming majority of the seats open in the parliamentary election. These democratically elected representatives have never been allowed to take office. Worse. Most have either been forced to flee the country, been imprisoned, or killed. The fact that four years have elapsed does not lesson its illegality. Nor does it make it acceptable.

Some may turn away declaring the situation hopeless. It is not. An international effort to address the serious threat the Burmese people face has already begun, however, much more support is needed. The ASEAN meeting in Bangkok is an important forum for discussing such an effort. Several ASEAN members have been hesitant to take responsibility for the present situation and will likely voice their opposition to increased pressure. However, the United States and others should convey to those countries the

importance we place on taking action in this matter.

Support garnered in Bangkok can propel United States efforts to achieve consensus for effective United Nations action against the SLORC, and to win the release of Aung San Suu Kyi. Such action has been delayed for too long now. Leaders of the Burmese democracy movement have continuously called for an international arms embargo, the appointment of a United Nations special envoy, an end to international development aid for Burma -- because it is all too often used to benefit the SLORC -- and the release of Aung San Suu Kyi. These are important issues for the international community to address. I hope that the administration will move deliberately and with greater urgency to carry them out.

Again I thank the Chairman for this opportunity to testify and I commend him for the initiative he has taken. I am sure that the people of Burma are listening today.

THE ASIA FOUNDATION

THE THAILAND RESEARCH FUND

Thailand's Road Toward Burma: Myanmar Beyond Ayuthia:

David I. Steinberg
Georgetown University

I Introduction

The period since the Burmese military coup of September 18, 1988 has been one of varying degrees of frustration for many parties.[1] The State Law and Order Restoration Council (SLORC), composed of key military leaders, sponsored an election that they no doubt thought they could both control and win, but much to their surprise they resoundingly lost.[2] They are subject to severe international criticism on political and human rights grounds that, they feel, is unjustified. The have a dilemma in the continued house arrest of Aung San Suu Kyi, who refuses to leave the country but whose internal release might threaten military control. The Burmese peoples, who had demonstrated against military rule and for their version of democracy in the spring and summer of 1988, have been held under a regime that allows them no basic freedoms, and the minority peoples with whom the government has posted cease-

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[1] In 1989, the SLORC changed the name of the state from Burma to Myanmar, the written form of Burma, and applied it very broadly to earlier periods and in adjectival form. This has not been accepted by the opposition, and thus the use of either term has helped polarize those concerned with that country. The terms will be used here interchangeably, except that Burma will be used for the period before 1989, and Burmese, Burman, etc. for its peoples and as an adjective. In this essay it has no political connotations.

[2] The military had miscalculated the result of the 1990 election, in which the civilian party they favored lost, as well.

fires have failed to secure significant autonomy, for which many have been fighting for decades. Other minority groups continue the battle. Burmese expatriates, consisting of much of the intellectual cream of that society, have seen their opposition position erode as ceasefires have come into play, and as SLORC, with a greatly enhanced military manpower and equipment, has apparently been strengthened. Although some businessmen in Burma and abroad have prospered with the new trade and investment regime in Rangoon, many have complained about investment conditions in the state, the high costs of doing business in Burma, the lack of sufficient economic restructuring, inadequate infrastructure, and rampant, ubiquitous corruption. Others look with concern at the growing economic role of the Chinese and the potential alienation of much of the Burmese economy. The OECD states have decried human rights violations and the autocratic, anti-democratic tendencies of the SLORC, while the ASEAN nations generally have looked with more favor on what has been called 'constructive engagement'--dialogue and friendly relations with the military but without overt efforts to ameliorate regime excesses.

From their vantagepoint, the SLORC have seen their modest liberalization policies viewed externally with less than complete belief and approval, but with some palpable successes. The donor community policies, on the other hand, designed to isolate Burma have shown limited results. They have been frustrated that the SLORC has managed to stay in power, improve some aspects of the economy, garner foreign exchange, and begin a modest opening to the

world without making basic political or economic reforms. Burma's neighbors--China, Thailand, and now increasingly India--have come to favorable economic terms with the SLORC regime, downplaying what they regard as western definitions of democracy, and noting 'progress' with the regime.

Thus, official but inchoate frustration has increasingly become rampant if not ubiquitous, as past foreign policies toward Myanmar have not seemed to produce significant internal changes. This has resulted in a number of initiatives or soundings emanating from a variety of quarters. The SLORC has inaugurated some reforms, the Thai have invited Myanmar to be its guest at the July 1994 ASEAN meeting in Bangkok. The Australians are exploring means of conciliation. Japan is rethinking its halt in new foreign assistance. Nongovernmental organizations (NGOs) and groups like the Carter Center and the U.S. Institute of Peace are exploring what might be done. Although official U.S. policy still calls for the unconditional release of Aung San Suu Kyi, improved human rights, avoiding appointing an ambassador, and honoring the results of the 1990 elections, there is growing debate over whether this policy of no official high-level dialogue is effective. Some wish to separate trade and investment issues from human rights problems (as has occurred in U.S. relations with China over the most-favored-nation issue), and anti-narcotics programming from democracy, as some propose in Burma. These varied frustrations are reflected in the assessment of the Burma conundrum in academic circles worldwide.

II The Academics on the Burma Road

If the coup polarized the internal state and its external neighbors, it did the same to the minuscule foreign academic community writing in English concerned with Burma. There were and still are few young students or staff engaged seriously in any aspect of Burmese studies in the West. Since field work was severely restricted, the few existing professors could not encourage graduate students in most disciplines concerned with Burma. Burmese was only taught at perhaps three universities in the United States. The academic community concerned with Burma, most of whom did field work prior to 1962, was aging rapidly. A study indicated that in the five years before 1981, only thirteen American citizens had academically published or given papers on any aspect of Burmese studies.[3]

Before 1988, Burma studies meetings were, as one participant described them, like an American 'eighth grade home room'--vibrant, unruly, friendly, full of comraderie, and disorganized. Such meetings that took place were gatherings of a small coterie of aficionados, and transcended even East-West cold war polarizations, and pro and anti attitudes toward the military within Burma. This changed with the anticipated taste of democratic success in the streets of urban Burma, repression, and the coup.

The foreign academic specialists and writers on Burma responded to the coup and the resulting excesses with almost universal

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[3] A paper prepared in response to the U.S. presidential Commission on Foreign Language and International Studies (1981) prepared by Gayl Ness (University of Michigan) and David I. Steinberg (U.S.A.I.D.), co-chairs.

horror. Although the crisis in Burma was less widely available to international audiences than that at Tienanmen a year later because of the lack of television, those concerned about the Burmese peoples were appalled as news leaked out sporadically, and this was reflected in the international news coverage of the events of 1988.

A major split in the academic community in thinking about Myanmar has evolved since 1988. This rift is reflected in two extreme positions, each academically buttressed, as well as in a number of other intermediate positions that fill out this intellectual spectrum of analysis and emotions.

On one side are those who argue that what has occurred in Myanmar in its autocratic rule and use of power hark back to an essential Burmese tradition predating the colonial era. That is, they maintain that the contemporary state acts very much like that of the Burmese kings in their autocratic use of power and the means by which they attempt to engender political legitimacy. The state has fostered this image to some degree--they have reverted to traditional names for modern institutions (the *Hluttaw* has become a National Assembly instead of a royal council), and glorified the Burman tradition. It has built pagodas, purified the *sangha*, as did the kings, maintained a monopoly on certain natural resources, such as oil and teak as did the monarchs, and more basically wielded and viewed power in a traditional manner. Power in Burma traditionally and contemporaneously was and is highly personalized; factionalism was and is rife. Some in this category would say that the multi-party, civilian period of 1948-1958 and 1960-1962 was a

sport and neither typical nor replicable. One scholar went so far as to maintain that real Burmese independence stared with the military coup of 1962, not 1948. Ne Win, they might say, was more a traditional ruler than a revolutionary, socialist figure. This set of views did not necessarily intend to legitimate the present government, but rather to explain it, and recognize that it (or a similar pattern of governance with a strong military component) is likely to endure because it is in keeping with the Burmese tradition. There are some opposed to this position who would argue that in fact these opinions do tend to legitimate the state, whatever the intent of their proponents.

At the other end of the spectrum are those that say that the civilian period was a democratic, multiparty era that provided the training in and experience of democracy sufficient on which to build a new pluralistic state, and that the cries for democracy and the suffering resulting from its pursuit on the part of the people in 1988 reflect a real transformation and demands for change in the country. These writers have been joined by many who decry the present state of human rights in Burma.

Other writers stress more technical aspects of reforms, especially economics,--needed or undertaken--and offer acute observations and analyses of specific issues. Some are Burmese living abroad, and these often have family links back into Burma, which may cause some to be perspicacious in their written opinions. Some writers, previously denouncing the regime, have come to the conclusion that having dialogue and dealing appropriately with the

SLORC are critical to eventual, positive changes in Myanmar.

There is, in addition, a generalized school of public policy and academic thought that links sequentially economic liberalization to political pluralism. Thus, this group would argue, economic liberalization, such as has begun in Burma, will inevitably create pressures for political change, access to more information, international contacts, and other desirable desiderata. This, indeed, is official, worldwide U.S. foreign assistance policy.[4] It is also one basis for the Thai policy of "constructive engagement" with Myanmar, which consists of investment and trade together with constant goodwill missions in both directions. The Asian experience in demonstrating the intimate and causal relationship economic and political pluralism, however, is not convincing over any programmatic time period that is useful (e.g., South Korea 1961-1987, Taiwan 1950-1991, and continuing political centralism in Singapore, Malaysia, Indonesia, China, Vietnam, etc.).

This writer considers that, indeed, the SLORC and military rule are in the traditional pattern of the Burmese concepts and use of power. He views the military as reflecting one of two major streams of executive authority in Burmese history (the other the religious-oriented stream exemplified by some kings and in the modern period by U Nu), but that these views and the traditional, pre-colonial relations between the peoples of Burma (however good or poor they may have been) cannot be restored because of the

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[4] Yet there is a split within the American foreign policy community: some arguing for more trade that might lead to internal liberalization, others advocating trade and military embargoes and avoiding high-level dialogue with the SLORC.

changing nature of Burmese public opinion and the modern world in which the state must operate. Traditional patterns of power, however widespread and however relevant, cannot be imposed over prolonged periods over an increasingly aware citizenry, and will not bring about the progress that both the government and the people seem to have articulated. Positive and obvious economic changes in Burma's neighbors also undercut the possibility of economic stasis in Myanmar.

These varying views, for all of which there is evidence, are not simply academic matters, but have important and immediate policy implications, some of which will be examined below. It is first necessary, however, to review the recent events in Myanmar to determine what has changed.

III The SLORC in Burma

Since the coup of September 18, 1988 and the extensive brutality leading to and resulting from that action, those few abroad who pay attention to Burma have been appalled by the violations of human rights in that state. New foreign economic assistance, except from China, was cut off in protest. The situation was exacerbated by the SLORC's agreement to hold multi-party elections on May 27, 1990, jailing Aung San Suu Kyi and other leaders of the opposition, and then ignoring its own (the military's) overwhelming defeat in the elections.

At the same time, the bankruptcy of the previous socialist military regime (the Burma Socialist Programme Party) led to tentative openings to the internal and external private sector and

a flurry of foreign investment in Myanmar (close to $1 billion at this date, according to official figures). This economic moderation, welcomed by many internally and abroad, was in stark contrast to political rigidity. Until 1993, there was little attempt to begin dialogue between the state and the formal political opposition (principally the National League for Democracy), and between the state and the major ethnic rebels on constitutional power.

There seems little question that the regime in Myanmar has been stung by the international 'pariah state' characterization of that country, by highly critical United Nations resolutions, by criticisms by the Nobel Peace Prize Laureates (among whom Aung San Suu Kyi figures prominently, and whom the Thai allowed into Thailand in 1993), and others. They have become conscious that their international image had to change.

IV Conciliation, Compromise, or Cosmetics?

The SLORC, as a result, has engaged in a major internal and external campaign to assure the world that changes are under way. Most prominent has been the movement toward a new constitution through a National Convention, whose members were hand-picked by the state and whose agenda was carefully orchestrated; the economic liberalization; discussions and ceasefires with some of the ethnic rebels--most importantly the Kachin; the release of some 2,000 political prisoners, although hundred remain in custody; and other conciliatory acts. In 1994, we have seen the first visit of a non-family member to Aung San Suu Kyi (Congressman Richardson--Democrat, New Mexico), and the approved entry of a large number of

reporters. Tourist visas have been extended to four weeks. A campaign has been launched to convince donors (especially the Japanese) to restart foreign economic assistance, and for the U.S. to reopen the anti-narcotics program, toward which end a prominent lobbyist has been hired. Sources in Tokyo indicate that a change in policy toward Myanmar is expected.

How significant are these actions? Any assessment of these activities must be tentative and highly personal, but a clear pattern of modest, peripheral policy amelioration is evident. This writer believes, however, that the SLORC is anxious to improve Myanmar's image externally and internally, will institute a 'civilianized' (in contrast to a civilian) new government at some indefinite future date, perhaps in late 1994, will continue to open (modestly) the economy, and may eliminate some of the egregious excesses of state control. In this assessment, however, the military will keep essential control over the state and its administration at all levels, will ensure Burman domination of other ethnic groups, will be more highly dirigiste than free-market economists would wish, will continue to manipulate access to information to suit the achievement of their new goals, and make laws supportive of their concepts of power and authority. The military, as they have indicated, will copy Indonesia, opting for stability under military control over freedom. In both states, the military will not only control a strong presidential system, they will also participate in administration at all levels, have a major grip on the economy (in Burma through the Union of Myanmar Holding

Corporation, a military-owned firm), continue to foster a ubiquitous military intelligence system, keep the military financing and control autonomous from the rest of government, and through the 'non-political' mass organization called in Burma the Union Solidarity and Development Association, the Burmese Golkar in its pre-party formulation, provide support for military policies. In both states a multi-party system will be controlled by the military. Although the Indonesia model may be attempted, that does not mean it will work as effectively for the *tatmadaw* (Burmese armed forces) as it has for the Indonesians, as many other factors are dissimilar and the levels of institutional development are quite disparate.

The SLORC has been adamant in the past about refusing to start a dialogue with Aung San Suu Kyi, whose imprisonment (much to the consternation of the SLORC) has come to symbolize the repressive nature of military rule in Myanmar and whose release has become the sine qua non of normalization of relations with the industrialized powers.

In spite of the Aung San Suu Kyi trauma, the SLORC today is stronger than it has been. The military--as long as they remain united--now have been strengthened, although factionalism has been rampant in Burmese history and within the military as well. Whether military factionalism will become overt in the post Ne Win era (we seem still to be in its penumbra) is unclear but likely. Individual negotiations with rebel groups, however ephemeral the resulting ceasefires may be over the longer term, have undercut, fragmented, and seriously wounded the ethnic opposition, and thus

undermined the military strength of the Burman political dissidents. The Burman opposition and the minorities are both under pressure, Yet the SLORC's agreement to allow Congressman Richardson to see Aung San Suu Kyi, planned at least since December 1993, indicates that the SLORC recognizes the public need for conciliatory gestures or actions.

It is thus evident that there is modest movement in Myanmar--procedural rather than substantive at this stage, but nevertheless movement that should be tested for seriousness of purpose, and movement that could create momentum that might alleviate some of the regime's past excesses. Internal and external dialogue between the SLORC and the opposition, and between the SLORC and the world outside Myanmar, are needed. Thus, in the view of this writer, this is a moment to test the SLORC's interest in furthering this modest dialogue, and to try to ensure that the liberalizing political needs of the political and ethnic opposition are not subverted.

V Past Efforts at Analysis and Conciliation

Since 1988, there have been a large number of meetings and discussions among outside observers of Burma about what might be done. Opposition groups and some of the expatriate Burmese community have rallied in a variety of international and local conferences and passionately called for de-recognition of SLORC by the United Nations and individual states, boycotts, embargoes, and disinvestment. Political posturing has been prevalent, however sincere the motivation. These have been fora for exhortation, not conciliation. The demands that have been made, however morally

based, have reflected confrontation.

Academic meetings have more dispassionately analyzed the state of play, decried lack of academic freedom in Myanmar, but do not usually propose positive change. Previous meetings, such as those at the Carter Center and elsewhere, have also been confrontational.

VI Present Needs and the Current Situation

There is apparently a growing, positive, and widespread interest in seeking avenues of conciliation with Myanmar, together with a recognition that continued confrontation is unlikely to be successful in achieving any of goals of the parties concerned. Optimism is, however, widely muted. The dangers of foreigners (including expatriate Burmese) seeking to impose solutions to Burmese problems are apparent, and the chances of any single action producing unequivocal, positive results are limited. Yet inaction may be tantamount to missed opportunities of potential significance. There have been three recent developments.

The Australian Department of Foreign Affairs and Trade held an 'experts meeting' in Coolum, Australia January 30-February 3, 1994 where a small group of specialists (including this writer) proposed a variety of means and benchmarks for action toward conciliation. One of these recommendations was to encourage dialogue at the working level on various topics on which discussion was feasible, including a review of conciliation in the cultural context of Burma. The Carter Center has rethought its previous approach, and held a meeting March 14-16, 1994 to discuss conciliation, which this writer also attended. A third meeting was held in April 1994

at the U.S. Institute for Peace to discuss alternatives. In all three meetings, Burmese were intentionally excluded to prevent partisanship from taking command. In addition, the Korean Kim Dae Jung Peace Foundation for the Asia-Pacific Region has indicated that the freeing of Aung San Suu Kyi is one of their priorities. At any new stage. however, there was recognition that the Burmese must be intimately involved, for the solutions to or amelioration of the problems, insofar as either is possible, will be *bama-lo*--'in the Burmese manner.' The productive foreign role is to facilitate the dialogue, not resolve the issues.

VII Moving the Military Leviathan

First Steps in Conciliation in Burma/Myanmar

What first steps might foreign governments, donors, and concerned parties take to move the State Law and Order Restoration Council (SLORC) toward internal and external dialogue, reconciliation, and amelioration of political rights problems? No action will have Cartesian clarity; all will involve trade offs and balances that should carefully be considered.

The confrontational role of the industrialized states toward Burma since the coup of September 18, 1988, however morally justified because of regime excesses, has failed to produce substantive improvements in pluralistic governance. Since the SLORC's nadir in legitimacy following their refusal to recognize the results of the May 27, 1990 election, which they profoundly lost, their regime has been strengthened rather than diminished through the following: modest but significant openings to the indigenous and foreign

private sectors and investment and resultant foreign exchange earnings; a series of cease fires with diverse ethnic rebel groups (most significantly the Kachin); a weakening of the democratic opposition in the border areas through more stringent Thai controls on their movements and supply; an expansion of the military and the improvement in some of their equipment; as well as a generally apathetic response to repression in Myanmar by the ASEAN states. The excoriation of the SLORC by the industrialized states and the United Nations is of apparent concern to the regime, but it has not resulted in a significant diminution of the basic power of the Burmese *tatmadaw* (armed forces), although it has produced ameliorative measures. Indeed, the power of the political and ethnic opposition has ebbed.

The SLORC has made modest internal concessions (from release of some political prisoners, allowing Congressman Richardson to visit Aung San Suu Kyi, to allowing more reporters into the country), but they have retained, and are likely to continue to retain, effective military control through the functioning of military intelligence to the formation of a new constitution through a captive National Convention. The Indonesia model of military rule, involving a constitutional role for the military and its 'dual function' (both military and civil), is apparently in process of formulation. Short of a mass revolution (the SLORC has attempted to keep down the urban price of rice, an element in the 1988 uprising; they cannot let anything untoward happen to Aung San

Suu Kyi), which at this point seems unlikely,[5] the military will continue in effective power under a 'civilianized' regime. In addition, the military will persist in having a substantial and direct investment in the economy, and a major influence in the 'private' banking system.

A salient issue is the unity of the military, which goes to great pains to proclaim its solidarity. The remarkable degree to which they do so may indicate the sensitivity of the issue and the fragility of a society historically prone to factionalism; attempting to split the military is the most heinous of crimes, one with which Aung San Suu Kyi has been charged. The question is not military control, but rather which elements of the military will be influential, and whether any actions taken by external actors can influence the process.

If the SLORC is stronger, then what points of leverage exist on which to negotiate positive changes in their or a subsequent military dominated regime? One may relate to the minority regions. The ceasefires with the minorities have led to promises by the SLORC, and expectations on the part of the minorities, that material improvements and assistance will be forthcoming to the peoples in these areas from the central government. A new national ministry was created for this purpose in 1992. Despite such promises, the SLORC cannot deliver such assistance in any meaningful amount over such a wide area without foreign support. They are evidently concerned about the situation in that region, as they

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[5] One should also note that the revolution of 1988 seemed unlikely at that time as well.

have invited some foreigners (British, German) to travel freely in those areas to chronicle these problems. Neutral foreign observers indicate the dire conditions under which some of these peoples live, with little food, forced resettlement, epidemic disease and malnutrition, and a shortage of educational opportunities. The Kachin Baptist Convention alone cares for 63,000 people (10 percent of the population of that state)--some hundreds of thousands of people are in dire need. The U.S. had disapproved of a previously proposed UNDP program in the border areas that included road building that some felt would have strengthened military control over those regions. The ceasefires have lessened the immediacy these fears because of existing and already expanded military influence there. It seems apparent that the SLORC wants the ceasefires to hold, and thus must deliver some major assistance to these areas.

If improving the lot of the hill area peoples is desirable to both groups (the state and the minorities), then how might it be done, by whom, and what factors should be kept in mind in such negotiations? The following are some of the prevailing conditions and attitudes related to Burma/Myanmar and held by senior Burmese officials that any proposed actions should take into consideration.

[a] The highly xenophobic SLORC believes, and is held captive by its own propaganda, and fears foreign involvement in, and collusion with, the minorities for the dissolution of the state. There is historical evidence of this from an earlier period. They need reassurance at all levels that this is generally no longer the

case, and has not been so for decades.[6]

[b] Neither the SLORC nor the foreign powers, each for their own internal political processes, can be seen as acquiescing to overt pressures from abroad; a face-saving solution must be found for all parties. Negotiations should thus be held in private, and 'demands' avoided. Although official avenues are critical, private ones could also be efficacious.

[c] The Burmese state is not in imminent danger of economic collapse because of a fragmented subsistence system. Any proposed embargo to be mandated by the UN would neither be possible (because of Chinese veto), nor enforceable, because of both Chinese and Thai interests. This is the position of the Thai government at the highest level.

[d] Donor unity is necessary in any foreign effort and assistance deftly staged to condition improvements in relations to internal, liberalizing governance changes. A lesson from the 1970s is that too much assistance not tied to specific reforms undercuts movement toward such reforms.

[e] In the past, politics have lead economics; to expect that economic reforms would have a short or medium term effect on political liberalization is demonstrated neither by Burmese history nor by the Asian experience (long term influence is, however, likely).

[f] Internal Burmese legislation (e.g., the Yangon Municipality Act) allows some units of the government (and likely the

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[6] This has been recently complicated by Khun Sa's statements for an independent or Thai-related Shan State. In 1992, this writer proposed that Burma's neighbors reaffirm the territorial integrity of that state (essentially reaffirming the status quo) as a gesture to reassure the SLORC. This did not take place.

constituent states and divisions under a new constitution) to receive foreign assistance without reference to the central government; with pervasive military control this is not viewed by the authorities as a threat to the state, and indeed is evidence, if any were needed, of the intention by the military to continue control not only at the center, but at the periphery.

[g] Any donor action, even those clearly humanitarian in nature, must satisfy international human rights groups that the donors have not abandoned moving toward the goals of plural governance and established rights, and thus they should continue overt external pressures through the UN and related agencies.

[h] Any NGO activities approved for operation within Burma should be coordinated; NGOs operating piecemeal may find their program activities and administrative operations more restricted than if the NGOs were to cooperate and coordinate their plans and relationships.

[i] Because of constitutional movement and signs of some internal interest in at least cosmetic change, the time for first steps seems to be more propitious than heretofore.

No amelioration of conditions in Myanmar through negotiation with the SLORC is without cost. Negotiations or assistance under almost any circumstances might strengthen the regime, but inaction might not weaken it and could continue the suffering of the affected peoples.

A series of staged steps is proposed in the first instance to be privately explored with the SLORC with the understanding that

successive liberalization actions would result in further progress as outlined below. These steps might be taken even if, for example, Aung San Suu Kyi were immediately freed from house arrest and some compromise reached with her. These actions would begin with NGO activity, gradually increasing to government or multilateral donor involvement as conditions warrant. As private efforts, they could be disowned at any stage should they fail. Foreign official encouragement would be helpful.

These steps might include:

[A.] Following initial private soundings noted below and already begun, a variety of meetings could be held in the region bringing together working level specialists, foreign NGOs that are considering humanitarian and developmental assistance to the deprived border peoples, the business community, and others with representatives of the SLORC. At such meetings, both programmatic and administrative arrangements should be discussed with representatives of SLORC on relations and any possible assistance. In the case of NGO activity in hill areas, these might include issues of direct versus indirect support to such peoples, import of commodities, training, regulations governing operations of resident or non-resident NGOs, ministerial reporting requirements (e.g., to the Ministry of Home and Religious Affairs, Foreign Ministry, etc.), exchange rates for assistance, banking requirements, taxation, the organization of indigenous NGOs, etc. Private but explicit understandings might be reached with SLORC on further internal liberalization both at the center and the periphery.

[B] If such meetings were successful in establishing dialogue and if an NGO program were to work effectively, and if the central government were to make significant conciliatory rights changes at the center in response, then a second stage might be implemented that could possibly include: [1] elimination of U.S. disapproval of multilateral lending (should donors agree that internal economic changes were effective); [2] the nomination of a U.S. ambassador to Myanmar; [3] the encouragement of staged Japanese assistance, etc.

[C] Concurrent with these actions would be a set of 'confidence-building' measures designed to increase contact between Burmese and foreigners at a variety of levels. These could draw upon discussions already initiated by the Australians and the Carter Center. Such measures might include meetings at appropriate venues involving officials (U.S., UN, Australians, SLORC, etc.) and specialists and scholars all as private citizens on a variety of topics. One such meeting has already been proposed on conciliation in Burmese society, and a member of SLORC indicated that it might be held in Rangoon.

VIII Thailand's Stance and Role

Thailand's relations with Myanmar have markedly shifted. The traditional, mutual antipathies between the two states have been legendary, and have continued until recently. Burmese generals have in the past complained about Thai support for the rebellions along the border, and the Thai until recently have not forgotten the destruction of Ayuthia by the Burmese forces in the 18th century (Thailand is still called 'Ayuthia' in Burmese, and only

recently have the Thai guidebooks on Ayuthia in English eliminated accounts of the Burmese role in its demise at the insistence of Thai authorities).

But Thai foreign policy toward Burma has been pragmatic and has altered. Thailand first perceived itself threatened by a communist and resurgent China bent on both expansion and infiltration of the extensive overseas Chinese community in Thailand. When Vietnam seemed to threaten Thailand on its eastern front through Laos and Cambodia, Thailand felt it could not afford to confront directly a hostile or radical regime in Rangoon on its western front. Thus Thailand surreptitiously supported the creation or continuation of a series of buffer 'states' (which in effect the various ethnic Burmese rebellions were), which insulated the conservative regime in Bangkok from what was regarded as a radical government in Rangoon. A low level of controlled violence weakened the Rangoon government, which was perceived as radical, and thus seemed to be in Thai interests.

This changed with the Burmese coup in September 1988. Military-to-military relations between the two states rapidly improved, with numerous delegations going in both directions, and then the introduction of investment connections between Thai firms and the Burmese.[7] It is a hypothesis that Thailand's growing friendliness with Myanmar was not solely a product of the exploitation of the natural resources along their frontier, although Thai teak conces-

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[7] How much of those firms were financed by Taiwanese funds through the overseas Chinese community in Thailand is an interesting, but unanswered, question.

sions in Burma came just after the banning of all logging in Thailand because of disastrous and lethal mudslides that killed hundreds in that border region, but also because of the growing economic hegemony that China seemed to enjoy, thus shrinking the Thai traditional smuggling trade that had in 1988 been legalized. Chinese economic liberalization and the collapse of the Burmese Communist party along the frontier enabled the Chinese to supply the increasing demand for consumer goods that Burma needed (because of the mistrust in local currency following the demonetization of September 5, 1987) but could not produce.

Thailand's decision to embark on 'constructive engagement' (whatever the term may mean, it practically involved continuing high level dialogue with the SLORC and trade and investment) was thus motivated by a variety of reasons including: investment opportunities, an attempt to deny China exclusive trade influence and thus effectively outflank economically the Thai frontier, the apparent inability (expressed at the highest levels in Thailand) to control or contain the long border with Myanmar, and the attractions of Burmese natural resources (teak, shrimp, gas, etc.), which had remained largely unexploited.

At this time, Thailand had also embarked on a new mainland Southeast Asia policy under Prime Minister Chatichai. At the Japanese Emperor's funeral in Tokyo in February 1990, he presented President Bush an aide memoire calling for diplomatic and economic cooperation between Thailand and the United States in helping an expanded Thai role in mainland Southeast Asia. Although the focus

and attention was on the former Indochina states, Burma was also included. The United States seemed, at least publicly, to ignore this issue.

According to some scholars, both China and Thailand pressured the SLORC to abandon its 1992 imminent attack on Mannerplaw, the Karen rebel capital and site of the Democratic Alliance of Burma, the opposition Burman-minority coalition. This was said to be because both neighbors felt that a political solution was better than a military one, for the fall of Mannerplaw might drive the insurrection underground, making it more dangerous, and increase the flow of refugees.[8]

Since the beginning of 1994, Thailand has taken an increasingly strong stand against the Burmese opposition who operate in and through Thailand. The herding of students into relocation camps, prohibition of safe passage of dissidents through Thailand to the border, prohibition of relief supplies to the refugees and the border areas, and public and private statements have indicated that Thailand is prepared to enter into even closer relations with the Burmese military.

Whether Thailand is pursuing its short-term national interests by its intimate relationship with SLORC at the expense of its longer term potential is an issue that Thai scholars on Burma should debate. But where are these scholars and does the Thai government recognize their potential importance for Thai policy?

At approximately the same time as Thailand, whose policies

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[8] This was suggested by Professor Alan Smith, Monash University, Melbourne, Australia at the Conference.

toward Myanmar seemed under military control, was rethinking its relationships with Myanmar, at a meeting in Kuala Lumpur this writer commented that the ASEAN states, all represented at an academic forum entitled 'Beyond ASEAN' (euphemistically titled to include, but not specifically designate, Burma), did not have a cadre of expert national scholars who followed Burmese affairs and could provide expert opinions for their governments. The national interest of each of the states, but most urgently Thailand, seemed to demand this indigenous competence.

However the Thai perceive their own national interests, it is likely that a stable, increasingly prosperous Burmese state that is part of the international and regional economy is dependent on continued and even accelerated political and economic reforms in Myanmar. How best to accelerate such reforms is a major question.

Such economic 'structural adjustment' usually brings social and economic pain in the short term even as it may result in increased growth and prosperity over a longer period. For a government to propose and then undertake such reforms requires broadbased popular support both for the regime and for such changes. There are many who doubt that the present or anticipated military-dominated regime in Rangoon will meet this criterion. This could result in increased, rather than lessened, instability in Myanmar, a condition anathema to Thailand's national interests. SLORC's continuous cries that the communists, now politically defunct in Burma, would again rise should the military relinquish power are unrealistic.

The long-term Thai national interest would seem to call for a stable, internationally engaged Burmese state capable of controlling warlordism and narcotics activities along its western front, one open to trade and investment, and one in which the minority groups along the frontiers were an integral part of, and reasonably satisfied in their relations with, the central government. This would eliminate the continuing Thai fear of large numbers of refugees and resulting border trauma.

For Thailand to understand critical nuances in Burma, however, requires means the creation of such Thai capacity. The first, long overdue, step is to develop the internal capacity to train Thai in Burmese affairs so that the Thai state has access to expert views on which they can rely. This seems to be presently lacking. Although some Thai study Burma, the effort seems unorganized. Thai state support for Burmese language and area studies, and opening of avenues of employment and mobility for scholars, government officials, and the private sector are all urgently needed. The Thai non-profit field as well needs Burma specialists. Upward mobility in the Foreign Service must be seen to be as attractive in specializing on Burma (and other regional states) as it is for European or American specialization.

IX Information Gaps

Under the regimen of the Burma Socialist Programme Party, all research on Burma was classified until released at the annual research conference where research papers were presented. This remarkable control over scholarship extended to the scientific

fields (including medical and public health) as well as the social sciences. Some research was eschewed, such as that connected with opinion surveys or political matters. Even after such research that was allowed was presented, access was restricted, especially the access of foreigners, although a few studies, such as some farm surveys, did find their way into the international academic literature.

If research was restricted, so was field work by foreigners. Aside from a few researchers on such subjects as religion, art and archeology, music, and linguistics, or on safe periods (e.g., the military before 1962), few were allowed in. This accounts in part for the paucity of those in Burmese studies. In a sense, for much of the period Burma watchers were like American China watchers in the generation of the 1950s and 1960s--glimpsing and gleaning from abroad what they could from the meager literature available and from those exiting from the society.

The present gaps in knowledge are legion. We know little objectively on the micro aspects of the economy, whether at the farm or factory levels. We are limited in our knowledge of the military, or political and administrative institutions, or attitudes, or contemporary social change and urbanization, or a myriad of factors that limit our comprehension of the complexities (and thus realities) of contemporary Myanmar. We need to know more about how law is administered and how the educational system really works, for example. More visitors mean more anecdotal information--more leads into what might be researched, but we lack the

objective studies that are required. Any first steps would indeed be progress.

Xenophobia at the official level is still prevalent in Myanmar, and in a society where information is regarded as power, it is reluctantly shared, even more reluctantly with foreign researchers. Yet possibilities do exist. Some Burmese institutions have expressed interest in joint foreign-Burmese field research with foreigners supplying training in field work methodologies. These possibilities might be more fully explored. Perhaps Thai scholars might be in a position to both assist and learn in a manner not yet available to many outside Myanmar, as well as to train Burmese in Thailand. We are, in fact, not discussing strengthening the existing government, but rather some future (perhaps more liberal) regime there, and in the world's capacity to deal intelligently with Myanmar based on analyses rather than political posturing.

The Thai national interest, as well as international scholarship, calls for an understanding of the dynamics of Burmese society, its international relations, its internal institutions, and its growth potential and various sectoral problems. These are all lacking.

X Coda

Thailand has the opportunity to contribute to, as well as benefit from, improved relations with Myanmar. The need exists for Thai policy to be gauged toward the longer as well as the shorter term, and to that end broader problems need discussion, training needs to be instituted, and the implications of Thai foreign policy

toward Myanmar needs to be considered beyond the immediate military context. Thai specialists need to be encouraged, but Thai knowledge of Burma also needs expansion at the generalist level--for the university undergraduate. In an increasingly democratic society, foreign policy cannot be too far ahead of the educated public. Thai children learn of the Burmese destruction of Ayuthia in the schools; they also need to know about contemporary relations.

It is my hope that this conference will move the process of developing Thai competence on Burma at all levels forward to meet Thai concerns, but to contribute to international scholarship as well. If Thailand were to undertake such actions, the cooperation of the international community of Burma specialists would surely follow.

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Bangkok, Thailand

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[See individual authors for a variety of articles too numerous to list here.]

US CORPORATE INVOLVEMENT IN BURMA: THE GAS PIPELINE

Statement of Ms. Edith T. Mirante, Director of Project Maje, an independent Burma information project founded in 1986; author of Burmese Looking Glass.

Burma in 1994 is ruled by the SLORC junta, which has been internationally condemned for its relentless human rights violations (including torture, slavery, mass rape, and ethnic cleansing) and for refusing to honor the results of 1990's election in which the pro-democracy party of Nobel Peace Prize laureate Aung San Suu Kyi won a huge majority. The SLORC has financed a massive military build-up through foreign trade, especially joint-ventures with oil and gas corporations. With two companies, Unocal and Texaco, remaining in joint-ventures with the SLORC, the United States is now reportedly the junta's second largest (after Singapore) partner in legitimate investment.

As well as the past, present and potential income for the regime from their concessions, the Unocal and Texaco presence in Burma has become extremely controversial because of the gas pipeline scheme. Partnerships including both companies have discovered large quantities of natural gas off the coast of Burma. For the gas to be commercially worthwhile, it must be transported, either by pipeline or in liquified processed form. The latter raises its cost, and it must compete with other inexpensive gas sources in Southeast Asia. Thailand's recently privatized Petroleum Authority has appeared interested in buying Burmese gas to fuel new electrical plants — if the price is cheap enough.

The partnership of Unocal and Total (France) announced plans to build a gas pipeline from Burma's sea-fields to neighboring Thailand. (Texaco has not revealed its gas transport plans, but would be able to use the same pipeline). The pipeline route crosses an area of southern Burma called the Tenasserim, which is the home of indigenous peoples including the Mons, Karens, Tavoyans and Sea Gypsies. In order to secure the area for a potential pipeline, the SLORC has already moved troops in. The Tenasserim has been a war zone for decades, with Mon and Karen guerrillas fighting Burma's dictatorship. They have threatened sabotage if a pipeline is ever built. A pipeline would be extremely vulnerable to armor-piercing ammunition, and land-mines (with which the area is replete). The SLORC's security campaign has already led to forced relocation of villages, and large-scale slavery is now taking place as ethnic minority civilians are being used by the SLORC to build railway and road systems in the area.

Some of mainland Asia's last tropical rainforests are threatened by the greatly increased presence of SLORC troops and by Thai logging companies with military connections. The Karens' Mt. Kaser Do wildlife sanctuary, habitat of rare wildlife including tigers, tapirs and rhinoceros; is just south of the pipeline route. The new roads and SLORC presence will probably open the area up to clear-cutting, as has happened elsewhere on the Burma-Thailand border.

This year, the pipeline scheme has provoked demonstrations (in New York, Denver, Los Angeles, and other cities), boycott campaigns, shareholders' protests, press coverage, and calls for US government sanctions targeted to cease US corporations' joint-ventures with the SLORC. An early warning was contained in a letter sent anonymously by someone working "in the oil & gas industry" in Thailand, in 1991: "It is with a sense of growing panic that I bring up the subject of a gas pipeline proposed by the Thai Petroleum Authority, which is to run from the gulf of Martaban [Burma] into Thailand...this pipeline will have to be "protected", a euphemism for 'relocating' (more likely killing) tens of thousands of ethnic peoples...I assume a wide cordon sanitaire will have to be defoliated for the length of the pipeline through Burma. More insane ecological destruction." Apparently the corporations involved feel comfortable ignoring such dire words. Reportedly, one executive recently commented that the area affected would be only as wide as "a ski-run." It seems that a Third World country is being treated differently from the US: imagine if, in Vermont, the government told residents it was confiscating their land without compensation, to build a ski-run for foreign investors, and sending in troops to clear the area by making it a free-fire zone. Of course, in reality, in the US, a pipeline builder would have to negotiate rights-of-way with the landowners, in a non-coercive manner. There are no indications that the oil companies in Burma have negotiated compensation with indigenous people there. They appear to have relied on the good word of the SLORC, and helicopter fly-overs under SLORC supervision, to be convinced that the region is, as Unocal's French partner, Total, has put it, "very sparsely populated."

In 1988, I walked across the Tenasserim, from the Thai border to Burma's seacoast, apparently the first Westerner to do so in many years. The mountains were covered with thick jungle; the riversides were verdant; and in the flatter land near the sea I found many large villages of the Cambodian-related Mon people, surrounded by their tropical orchards. The Mons hunted deer in the forest, and fished the sea in small wooden boats. All that may already be gone, because the pipeline scheme has drawn the SLORC's stormtroopers to the area like a magnet.

103D CONGRESS
2D SESSION

H. RES. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. ACKERMAN (for himself and Mr. LEACH) submitted the following resolution; which was referred to the Committee on _____

RESOLUTION

To urge the Government of Burma (Myanmar) to release Aung San Suu Kyi, and for other purposes.

Whereas in 1988, the Burmese regime brutally suppressed nationwide pro-democracy demonstrations, resulting in the deaths of several thousand people and the imprisonment of several thousand others;

Whereas in 1989, the Burmese regime placed under house arrest Aung San Suu Kyi, the daughter of Burma's founding father and the most prominent figure in the pro-democracy movement;

Whereas in May 1990, the Burmese people in free and fair elections awarded over 80 percent of the National Assembly seats to the National League for Democracy;

Whereas the military regime responded to this expression of the will of the Burmese people not only by refusing to relinquish power, but by further cracking down on opposition politicians and those who supported democracy and human rights in Burma;

Whereas the inhumane practices of the regime prompted a quarter million Rohingya refugees to flee into Bangladesh, where most remain today in refugee camps;

Whereas in 1991, Aung San Suu Kyi was awarded the Nobel Peace Prize for her efforts on behalf of a peaceful transition to democracy in Burma;

Whereas in 1993, several past winners of the Nobel Peace Prize, having been denied permission to visit Burma, traveled to Thailand to call for the release of Aung San Suu Kyi;

Whereas martial law remains in effect in Burma today, with hundreds of political prisoners in custody, human rights frequently violated, and national minorities driven into exile;

Whereas the Government of Burma has denied international humanitarian agencies free and confidential access to prisoners;

Whereas the national convention convened by the Burmese Government in January 1993 to begin work on a new constitution does not have the mandate of the Burmese people, nor appear to be progressing toward putting political power in the hands of a freely elected civilian government;

Whereas the United Nations Commission on Human Rights and United Nations General Assembly have adopted consensus resolutions deploring the human rights situation

in Burma and expressing grave concerns about the lack of progress toward democracy as well as abuses such as summary and arbitrary executions, torture, forced labor, and oppressive measures against women and ethnic and religious minorities;

Whereas Burma has for many years been the world's largest producer of opium and heroin;

Whereas the United States Government in each of the past 5 years has denied the Government of Burma certification under chapter 8 of part I of the Foreign Assistance Act of 1961 due to a lack of cooperation on narcotics control efforts;

Whereas credible reports continue to link Burmese Government officials and military officers to drug trafficking;

Whereas since 1988 the United States has been in the forefront of international efforts to promote democracy and human rights in Burma;

Whereas in 1992, the House of Representatives adopted House Resolution 473, which condemned human rights abuses in Burma and called upon the President to seek a mandatory international arms embargo against Burma;

Whereas in fiscal year 1993 the Congress earmarked $1,000,000 to support assistance for Burmese refugees and students on both sides of the Thai/Burma border;

Whereas United States corporations are under increasing pressure from stockholders to divest their holdings in Burma and otherwise to refuse to do business in Burma so long as the current military regime continues to abuse the political and human rights of its people;

Whereas the Government of Thailand has invited the Burmese regime to participate in some of the meetings of the

Association of Southeast Asian Nations (ASEAN) in July 1994;

Whereas the Government of Thailand has prohibited senior officials of the National Coalition Government of the Union of Burma from entering Thailand;

Whereas July 19, 1994, will mark the 5th anniversary of Aung San Suu Kyi's imprisonment;

Whereas in March 1994 the United Nations Commission on Human Rights noted measures taken by the Government of Burma (including the reopening of universities, the release of over 2,000 political prisoners, the signing of a Memorandum of Understanding providing for a United Nations Commission on Human Rights presence in Arakan province to monitor the voluntary repatriation and reintegration of Rohingya refugees from Bangladesh, and the achievement of cease-fire agreements with several ethnic and religious minority groups in Burma), but at the same time deplored the continued seriousness of the human rights situation in Burma; and

Whereas the Government of Burma has for the first time permitted meetings between foreign visitors and political prisoners (including Aung San Suu Kyi), but continues to deny the United Nations special rapporteur access to Aung San Suu Kyi: Now, therefore, be it

1 *Resolved*,

2 SECTION 1. ACTIONS THAT SHOULD BE TAKEN BY THE

3 GOVERNMENT OF BURMA.

4 It is the sense of the House of Representatives that

5 the Government of Burma should—

1 (1) immediately and unconditionally release
2 Burma's political prisoners, including Aung San Suu
3 Kyi;
4 (2) permit the transfer of political power to an
5 elected civilian government based upon the results of
6 the 1990 election;
7 (3) fully respect the human rights and fun-
8 damental freedoms that are the birthright of all peo-
9 ples;
10 (4) end the practice of forced labor, including
11 portering for the military;
12 (5) allow free and confidential access to all pris-
13 oners, including prisoners of conscience, by inter-
14 national humanitarian agencies;
15 (6) implement fully the Memorandum of Under-
16 standing with United Nations Commission on
17 Human Rights and create the necessary conditions
18 to ensure an end to the flows of refugees to neigh-
19 boring countries and to facilitate the speedy repatri-
20 ation and full reintegration, under conditions of
21 safety and dignity, of those who have already fled
22 Burma;
23 (7) respect fully the obligations set forth in the
24 1949 Geneva Conventions, in particular the obliga-
25 tions in common article III, and make use of such

1 relief services as may be offered by impartial hu-
2 manitarian bodies; and
3 (8) take effective law enforcement actions
4 against those individuals within the Burmese Gov-
5 ernment (including the Burmese military), as well as
6 those outside the government, who are engaged in
7 the production and trafficking of illicit narcotics.

8 SEC. 2. ACTIONS THAT SHOULD BE TAKEN BY THE GOV-
9 ERNMENT OF THE UNITED STATES.

10 It is further the sense of the House of Representa-
11 tives that the President, the Secretary of State, and other
12 United States Government officials and representatives
13 should—
14 (1) urge the Government of Burma to release,
15 immediately and unconditionally, Aung San Suu Kyi
16 and other political prisoners;
17 (2) maintain the current United States ban on
18 all forms of nonhumanitarian assistance to Burma;
19 (3) disperse the funds previously appropriated
20 to support assistance for Burmese refugees and stu-
21 dents along the Thai/Burma border;
22 (4) maintain current limitations on the provi-
23 sion of bilateral narcotics control assistance to the
24 Government of Burma until that government dem-
25 onstrates a genuine commitment to combating the

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1 scourge of illicit narcotics production and traffick-
2 ing;
3 (5) continue to oppose loans to Burma in ac-
4 cordance with chapter 8 of part I of the Foreign As-
5 sistance Act of 1961;
6 (6) consider imposing further economic sanc-
7 tions against Burma, and encourage other members
8 of the international community to take similar steps;
9 (7) elevate the issues of democracy and human
10 rights in Burma in the conduct of United States re-
11 lations with other members of the international com-
12 munity, particularly in coordination with Japan,
13 China, and the members of the Association of South-
14 east Asian Nations;
15 (8) maintain United States support for the ap-
16 pointment by the United Nations Secretary General
17 of a special envoy to focus on conflict resolution as
18 the basis of national reconciliation and the restora-
19 tion of democracy in Burma;
20 (9) ensure that, during the July 1994 Post-
21 Ministerial Conference of the Association of South-
22 east Asian Nations, the Secretary of State calls on
23 the members of the Association of Southeast Asian
24 Nations to support the international consensus on
25 Burma by urging the Government of Burma to un-

1 conditionally release Aung San Suu Kyi and to indi-
2 cate its willingness to cooperate with a special envoy
3 appointed by the United Nations Secretary General;
4 (10) maintain the unilateral United States
5 arms embargo against Burma, and encourage the
6 other members of the international community, most
7 particularly the members of the Association of
8 Southeast Asian Nations and the People's Republic
9 of China, to prohibit arms sales and transfers to
10 Burma;
11 (11) encourage other members of the inter-
12 national community to halt all nonhumanitarian as-
13 sistance to Burma or, at a minimum, to condition
14 any new official assistance on significant progress by
15 the Government of Burma toward respecting the
16 human rights and fundamental freedoms of its peo-
17 ple; and
18 (12) continue to encourage the United Nations
19 and its specialized agencies operating in Burma—
20 (A) to use particular care to ensure that
21 their activities meet basic human needs, do not
22 benefit the present military regime in Rangoon,
23 and promote the enjoyment of internationally
24 recognized human rights, and
1 (B) to work through nongovernmental or-
2 ganizations to the greatest possible extent.

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